FBIS DAILY REPORT

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JUNTA WELCOMES MULTIPARTY PEACE ACCORD REQUEST

PY151635 Buenos Aires LA PRENSA in Spanish 11 Jun 83 p 3

[Text] Yesterday military sources confirmed that all three commanders in chief of the Armed Forces "have welcomed with satisfaction" the request made by the Multiparty Group, asking the government to sign a lasting peace accord with Chile.

As we reported yesterday, this topic was discussed outside the agenda of the meeting held in the Libertad Building, the Navy's headquarters.

COUNTRY WAITS FOR UK TO NEGOTIATE ON FALKLANDS

PY150305 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1305 GMT 14 Jun 83

[Text] Buenos Aires, 14 Jun (NA) -- Today President Reynaldo Bignone stated that Argentina "is waiting for Great Britain to comply with the UN resolution provisions which were approved by an overwhelming majority of countries, urging Argentina and Great Britain to resume negotiations over the Malvinas Islands."

Bignone answered questions asked him by journalists accredited to Government House on the first anniversary of the cessation of hostilities in Puerto Argentino, which is commemorated today. Asked whether he would travel to New York to personally praticipate in the UN meeting that will study the Malvinas issue in October, Bignone said that "no decision has yet been made." However, Bignone admitted that the Foreign Ministry is studying the issue, adding that the government "naturally considers all choices at hand."

Bignone said that "the Malvinas cause is a long-standing national cause which, as far as the people are concerned, is far beyond factional political interests or transitory situations." Bignone said that "the Malvinas were, are, and will always be Argentine. The entire country has adopted this decision."

Bignone recalled that "although we suffered a military setback last year, Argentina continues with its 150-year-long fight to recover the sovereignty seized from it by colonialism." He said that "this is why the fight continues in each and every international forum. Argnetina is waiting for Great Britain to comply with the provisions of the UN resolution that was approved by an overwhelming majority of countries."

STATE EMPLOYEES STRIKE DESPITE WARNING

PY151435 Buenos Aires DYN in Spanish 1005 GMT 15 Jun 83

[Text] Buenos Aires, 15 Jun (DYN) -- The 24-hour strike started this morning by state employees to demand a salary increase is being partially observed in this capital and various parts of the country. The strike was started despite the fact that last night the government officially warned that not reporting to work because of the strike "would be unjustified."

The government has announced a 35 percent increase for state employees as of 1 July in addition to the increase which will stem from the salary scale reorganization. Nevertheless, the state employees consider that those increases are "far from meeting their demands."

Yesterday at the end of a meeting held with economy minister Jorge Wehbe, the Federation of Unions of Government Employees (CGTE), ratified the decision to hold the measure of force. Juan Horvath, one of the CGTE secretaries, stated "that no agreement was reached during the meeting because the government authorities made two proposals which we rejected since they were far from meeting our demands."

The leader confirmed that the state employees intend to obtain an increase which will rise the basic salary of this sector to 1,300 Argentine pesos, retroactive to 1 May 1983, which will represent an increase of 68.75 percent. (?Wehbe) in turn explained that there "are no funds" to meet the employees' demand and pointed out that the request "is not in keeping with the budget guidelines that we had agreed on at the beginning of the year." However, he admitted that the request is "reasonable."

The Armed Forces Civilian Personnel Union and the Confederation of Education Workers have announced that they will not observe the strike. However, the Argentine Teachers Union (UDA) ratified its decision to join the national strike scheduled for today. Other unions of the public sector such as the Buenos Aires Physicians Federation [Federacion Medica Bonaerense], whose members only granted "emergency service" in the public hospitals of Buenos Aires Province, also observed the strike.

Approximately 1,500 state employees met in front of the Economy Ministry last night as part of the CGTE program to support its demands. The demonstrators chanted slogans referring to their demands and others against the government regime such as "the military dictatorship will end." On this occasion Geronimo Izzeta, member of the Municipal Workers Union, stated that "the state employees are not aggressive unions, but the government has forced them to go to the streets because of the lack of solutions."

Horvath voiced his satisfaction over the number of demonstrators, and stated that it was a forecast of "what will happen tomorrow when we state employees stop our activities throughout the country."

The demonstrators, who were closely observed by a large deployment of policemen, carried banners with the name of their unions and slogans such as "Enough Hunger." The group sang the national anthem and shouted "Argentina, Argentina" while a shower of thousands of pamphlets inciting the workers to strike today fell from the balconies and windows of the Economy Ministry.

A press conference to disclose the reasons and scope of the strike is scheduled to be held at the ATE [State Workers Association] headquarters at 1600 today. The next steps to be taken, should the government still fail to meet the workers' demands, will be decided next Friday.

DIVISION WITHIN SOCIALIST CONFEDERATION REPORTED

PY150336 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1202 GMT 9 Jun 83

[Excerpts] Buenos Aires, 9 Jun (NA) -- The new board of the Argentine Socialist Confederation [CSA] has been ignored by socialist federations from several provinces, marking the first sign of division and confrontation within this political force which is headed by Alicia Moreau de Justo.

During a board meeting held over the past weekend, former metropolitan councilman Hector Polino was replaced by Oscar Palmeiro as secretary general and new board members were designated. Yesterday the federations of Buenos Aires, Federal Capital, Santiago del Estero, Tucuman, and Santa Fe stated in similar communiques that "the statutes and the party's national congress dispositions were violated" at the CSA board meeting held over the past weekend.

The provincial federations have decided "to ignore the so-called national committee and the executive board designated by this committee during the meetings held on 4 and 5 June, because they have openly violated the statutory norms and the national congress dispositions, seeking to assume the absolute leadership of the CSA."

UNION LEADER AZAR SPEAKS AT ILO ASSEMBLY

PY151700 Buenos Aires TELAM in Spanish 2230 GMT 14 Jun 83

[Text] Buenos Aires, 14 Jun (TELAM) -- Addressing the 60th ILO meeting in Geneva today, Rene Pablo Azar, president of the Motor Transport Workers Union (UTA), said that the Argentine worker is proving that neither persecutions, imprisonments, violations of basic rights, nor the destruction of goals attained through real effort have undermined his strong will to fight for human dignity.

Azar, who addressed the meeting as the Argentine workers representative who makes up the official tripartite committee, made it clear that "we act independently and we thought it was necessary for us to address this international forum so that the world would be aware of the hardships of the Argentine workers and of the critical situation they are undergoing."

Upon stating that "experience has shown us that refusing to officially participate in the meeting would make us lose the opportunity to inform the world of the situation that is affecting us, Azar said that, "we do not support those who refused to form part of Argentina's official delegation. However, we respect their position and the reasons that prompted it. We are here to express our angry protest against the injustices and hardships faced by the Argentine worker."

Azar went on saying that "Although it is true that there have been some signs of progress in the enforcement of union freedom, it must be noted that we have much ahead of us to do and that what we have done so far is not substantially enough to adequately satisfy the Argentine worker's needs."

Azar continued by criticizing the Labor Union Law, which imposes restrictions on union organization and which caused the dissolution and expropriation of the General Confederation of Labor. Azar also repudiated the law banning union activities and the legal regulations precluding collective bargaining agreements.

After requesting the restoration of the above rights, Azar denounced the existence of a law on social organizations which deprives unions of their assets. Azar said that the situation of labor unions clearly reflects the results of an economic and social policy that has driven the country into true chaos. He said that this economic and social policy was marked by its dehumanization because it considered man as a mere element of production.

After denouncing that the influence of the well-developed industrialized nations tends to favor foreign interests, Azar stated that it has again been proven that the strong overwhelm the weak, and that they make use of every opportunity to further this weakness in order to establish their rule, even to the point of encouraging armed subversion and economic unheaval to undermine the roots of the community.

In conclusion, Azar highlighted the need for an effective and true democracy with a government freely elected by the people and free from any internal or external conditions or pressures.

On their part, Miguel Alberto Rios, UTA secretary general and Juan Manuel Palacio, interior secretary, pointed out, when releasing the copy of the speech delivered by Azar in Geneva that, in spite of being a member of the official delegation, Azar has proven that he is not pro-government.

DAILY QUESTIONS FISHING AGREEMENT WITH SOVIETS

PY160102 Buenos Aires LA PRENSA in Spanish 7 Jun 83 Second Section p 1

[Editorial: "Trade Relations With the Soviets"]

[Excerpts] The chambers of the High Sea Fishing Vessel Owners, Fish Processing Plants, and Cold Store Fishing Vessel Owners have submitted to the secretary of maritime interests a thorough study of Law 22, 481 regarding commercial relations between Argentina and the Soviet Union. The document refers to an "understanding with the Soviet Union regarding the creation of public and private mixed enterprises, and the granting of fishing quotas and permits for fleets of Eastern countries to operate in the southwestern Atlantic using Argentine ports and exploiting our fishing resources.

The document submitted by the fishing chambers says that the official policy is wrong because "it involves surrendering and conceding benefits without any similar action benefiting Argentina." Trade in the fishing field does not exist because Argentina only gets an alleged benefit from research which in any case, is also carried out by the National Institute for the Development and Research of the Fishing Industry [INIDEP]. This organization was supplied with modern research equipment and has two vessels in operation expressly built for this purpose and a third vessel under construction in Germany. The purchase of these vessels, which represented a large expenditure for the taxpayers, was precisely made to nationalize research and prevent foreign interference which prevents the evaluation of our wealth resources and the implementation of a development policy on a reliable basis.

Furthermore, keeping track of the activities of the fishing fleets near the limits of the exclusive economic zone becomes materially and technically impossible if the fleets are authorized to use ports on the Argentine coast. The fishing chambers point out that the construction of a port for this purpose in Punta Arco with Soviet capital -- either expressly or tacitly on the condition that the use of ports be authorized -- means that all the Soviet factory vessels can exploit our national fishing resources without the country being able to oversee matters. Such a situation would represent a colonial enclave or the cession of part of our territory with the benefit of immunity.

The fishing chambers believe that the activities of the Soviet fishing fleet "will represent the loss of control over our maritime resources, the loss of our markets due to competition involving 'dumping', the recognition of an alleged lack of national capabilities for reaching higher levels of fishing production, and the need to grant third countries the opportunity to carry out the fishing we are not able to do."

Since early this year, several Soviet missions have arrived interested in building ports in Patagonia. In mid-April, a Soviet delegation went to Chubut in view of the possibility of building the Madryn fishing port. On that occasion, the provincial under secretary for promotion and development denied reports that the Soviet intentions would be fulfilled "as an exchange for the supply of Argentine grains and cereals." He explained that the Soviets would join a national business group if this group won the bid for the port construction.

The Kremlin's interest in balancing the balance of payments cannot be denied. This desire coincides with the old British slogan "buy from those who buy from us." Officials will have to study this agreement with great prudence, particularly the matters related to the concessions included in the "Protocol of Understanding..." It should be recalled that the government lacks constitutional powers to surrender part of our territory to establish a Soviet fishing base, and that no deceptive devices of confusing contracts can allow the use of Argentine territory, including the epicontinental sea, a situation which would prevent the continuous surveillance of this area by the government. The country will not accept the establishment of concessions that are harmful to national interests or the granting of privileges to foreign interest to the detriment of Argentine industry. Any disposition in this regard will have no validity, therefore it will be short-lived. Trade agreements between nations must be exclusively based on mutual benefits. There is no other alternative.

FLOOD UPDATES ON NEW RAINS, CATASTROPHES

14 June Report

PY151345 Buenos Aires BUENOS AIRES HERALD in English 14 Jun 83 p 11

[Text] A critical rise of the Parana River at Puerto Iguazu awoke fears yesterday that the waters may exceed a 1905 record mark of 40.5 metres in the next two days since the waters rose between five and seven centimetres an hour, the last reported mark being 36.84 metres last night. The new rise of the river waters caused concern among the inhabitants of flooded areas, who already fear the situation will worsen during the weekend due to the fact that swollen waters are ominously sweeping downstream.

Provincial sources said yesterday that the Parana River flow has tripled its volume due to heavy rainfalls in the Brazilian states of Parana and Sao Paulo, where the tributary rivers have also overflowed their banks. The Parana rose 60 centimetres in the last 24 hours, and the provinces of Chaco, Corrientes, and Santa Fe were in a state of alert yesterday.

In Resistencia, capital city of Chaco, waters reached a 7.92 centimetres mark while civil defence sources said all programmes to protect the city and to see to evacuees will have to be reviewed taking into account that the catastrophic situation will last much longer than first expected. Two hundred thousand people have already been evacuated in the flood affected areas along the Parana and Paraguay rivers.

In Formosa the usual winter rains, falling in June and July, are threatening to make the province's plight even worse and efforts have been stepped up to consolidate levees built up around the cities of Formosa and Clorinda.

15 June Report

PY151808 Buenos Aires BUENOS AIRES HERALD in English 15 Jun 83 p 11

[Text] The grave flood situation in northern Argentina could well become catastrophic in the next few weeks due to the rapid rise in the River Parana which is threatening islands and shores. Yesterday the Parana continued to rise at the rate of approximately six centimetres per hour.

The latest effects of the floods have begun to be felt most severely in the province of Misiones where many people living on the riverbanks have been evacuated, road communications have been cut and three important ports have been submerged. The total number of evacuees in the province is now over 6,000.

In the rest of the flood affected areas the race against the clock to build defences continues. In Santa Fe and Chaco Provinces the water levels are on the verge of reaching the maximum recorded levels in 1905. In Puerto Iguazu yesterday afternoon the water level reached 37.86 metres and torrential rains on the high river banks of the Parana in Brazil continue to threaten the levels.

In Santa Fe a private company has been contracted by the authorities to build up the embankments a further 50 centimetres, an operation which is hoped to be completed within the next 45 days. This means the embankments will be eight metres tall and hopefully hold back the waters, and save 40,000 people from evacuation, in the capital.

One piece of good news on the floods is that the water level has been slowly decreasing in the Province of Formosa. The River Paraguay has been decreasing at a rate of two or three centimetres daily and some evacuees who have been staying in the dryness of the evacuation centres have begun to return to their homes. However the grave situation in northeast Formosa continues with some 60,000 evacuees and the majority of the area under water.

BRIEFS

HEPATITIS OUTBREAK IN MENDOZA -- Mendoza, 31 May (NA) -- The provincial government has reported that the hepatitis outbreak which has affected 908 persons over the last 3 months is spreading. One of the cases was reported fatal. Social Welfare Minister Geronimo Canas reported that 169 persons contracted the disease between 9 and 14 May 1983 and that "they are recuperating." [Summary] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1315 GMT 31 May 83 PY]

YACYRETA FUNDS RELEASED -- It was officially announced in Asuncion that in the next few days the Argentine Government will transfer $15 million to Yacyreta Binational Entity. This amount has been earmarked for settling the substantial and long-outstanding debt of the Yacyreta Binational with Paraguayan companies. [Summary] [Buenos Aires Domestic Service in Spanish 1600 GMT 14 Jun 83 PY]

AIRLINE ASSETS SALE -- Buenos Aires, 13 Jun (TELAM) -- The Argentine Government has decreed the sale of the assets of Austral Air Lines through a domestic public tender which will be called within 30 days after publication of the decree, putting the measure into force which bears number 1392. The content of the decree was disclosed tonight through the Public Information Secretariat of the Presidency. [Text] [Buenos Aires TELAM in Spanish 2251 GMT 13 Jun 83 PY]

CRANE PURCHASE FROM GDR -- The executive branch has approved the state-owned Railroad Enterprise contract with a GDR-based company for the purchase of 14 rotating cranes. This transaction also covers the supply of tools, spare parts and accessories. The cost will be $21,975,396. The Railroad Enterprise was exempted from the payment of customs duties on this machinery. [Text] [Buenos Aires Domestic Service in Spanish 1030 GMT 14 Jun 83 PY]

POLIO OUTBREAK REPORTED -- Santa Fe, 27 May (DYN) -- Officials of the local Doctor Ricardo Gutierrez children's hospital report that they are treating the fifth case of poliomyelitis registered in the last 100 days, and that the patient is in critical condition. One of the cases was reported fatal. [Summary] [Buenos Aires DYN in Spanish 2108 GMT 27 May 83 PY]

CONTINUING CHILEAN AIRCRAFT PRESENSE REPORTED

PY151455 La Paz PRESENCIA in Spanish 2 Jun 83 p 8

[Text] Potosi, 1 Jun (PRESENCIA) -- Peasant representatives from the Vilasaca and Cahuana communities have reported that "Chilean aircraft are often seen in Bolivian skies on the border zone of Daniel Campos Province." The report was conveyed by Julio Molina and Juan de Dios Sanchez to the environment sanitation authorities of this city, who last week traveled to the border to open drinking water facilities in those communities.

The inhabitants reiterated to the journalists who traveled to the border that "every day, shortly before noon, Chilean aircraft fly over Bolivian territory." "We are concerned about this circumstance and although we have reported it to the military authorities, preventive measures are not being taken," they reported.

Chilean farmers who enter Bolivian territory to buy supplies urge them to move to their country, they added. "There we have drinking water, electricity, roads, and better living conditions, they keep telling us," Molina and Sanchez said. They finally pointed out that they are guardians of the border, and all they are asking for is help and attention from the departmental and national authorities.

FACTORY WORKERS BEGIN 48-HOUR NATIONWIDE STRIKE

PY151620 Paris AFP in Spanish 1534 GMT 15 Jun 83

[Text] La Paz, 15 Jun (AFP) -- Thousands of workers who are members of the General Confederation of Factory Workers (CGTFB) began a nationwide 48-hour strike today. They are demanding that management comply with the salary rules that have been approved for their sector, which includes overtime pay on Sundays. This decision was adopted during a meeting of the top leaders of the CGTFB.

The Bolivian Labor General (COB) tried to mediate between the workers and the National Industrial Chamber, but its efforts were not successful due to management refusing to accept the demands of the factory workers. According to the CGTFB's top leaders, the country's factory workers have decided to increase, within a legal framework, their measures of pressure, including a general and indefinite strike.

'COCAINE KING' SEIZES BANK MONEY, HOSTAGES

PY152334 Paris AFP in Spanish 1842 GMT 15 Jun 83

[Excerpt] La Paz, 15 Jun (AFP) -- Today in this capital it was reported that a small plane of the Bolivian State Bank that was carrying 39 million pesos (more than $100,000) was forced to land in San Borja, 240 km northeast of La Paz, by four airplanes belonging to Roberto Suarez Gomez, the king of cocaine, and a group of armed men who work for him.

The group that forced the plane to land in order to seize the money it was carrying is now holding two bank officials hostage, and are asking a ransom of 30 million Bolivian pesos. Finance Minister Flavio Machicado stated that Bolivian President Hernan Siles Zuazo has ordered the payment of the ransom to save their lives.

The sepctacular attack took place on Tuesday morning, 7 June, when the state bank plane was taking the money to San Borja and was intercepted in the air by four private airplanes. The armed group seized the money and occupied the state bank's agency.

According to reports, Roberto Suarez, cousin of former Interior Minister Luis Arce Gomez who is currently under detention in Argentine, promised to return the money between Thursday, 16 June and Friday, 17 June.

On learning about these events, Interior Minister Mario Roncal Antezana began meetings with the military high command in order to adopt measures on the case. It is possible that security measures which may involve the direct participation of the armed forces will be adopted.

Hostages Released, Plane Sought

PY160243 La Paz Cadena Panamericana in Spanish 0000 GMT 16 Jun 83

[Excerpt] Tonight during a press conference held at Government House, Interior Minister Mario Roncal Antezana reported that the government has the cities of San Borja and Reyes in the El Beni Department totally under control.

The minister said that the two officials of the State Bank's San Borja branch who were being held as hostages have been released in the city of Trinidad. Minister Roncal Antezana added that two people allegedly involved in the incident have been arrested in Trinidad, but he refused to give their names.

Minister Roncal stated that a search is being conducted for a small plane that took off in an unspecified direction after the State Bank's money was seized. The minister stated in general terms that drug trafficker Roberto Suarez Gomez, who headed the criminal action, sought to gain publicity and create political tensions.

The interior minister ruled out the presence of irregular armed groups in the El Beni Department.

BRIEFS

INFANT MORTALITY RATE -- La Paz, 25 May (AFP) -- Deputy Health Minister Jorge Auza Lopez reported here today that the Infant mortality rate in Bolivia is 168 per thousand. Auza added that 90 precent of Bolivian children suffer from malnutrition and that there are black pockets in which the infant mortality rate surpasses 250 per thousand. [Excerpt] [Paris AFP in Spanish 1158 GMT 25 May 83 PY]

MALARIA, YELLOW FEVER SITUATION -- Santa Cruz, 16 May (PRESENCIA) -- Walter Julio Fortun, health unit director, today expressed his concern over the increase of the "aedes aegyti", the insect that transmits yellow fever, from 3.2 percent to 5.1 percent. The mosquito that transmits yellow fever was eradicated from Bolivia 46 years ago but a few years ago the mosquito entered Bolivia from Cali, Colombia. This mosquito is located only in Santa Cruz. Moreover, the health unit has detected isolated cases of malaria at km 6 on the Cochabamba highway, in the towns located along the Santa Cruz-San Jose-Robore-Puerto Suarez railroad line, and also in Rio Negro, Nuflo de Chavez Province. [Summary] [La Paz PRESENCIA in Spanish 17 May 83 p 6 PY]

PRESIDENT INTERVIEWED ON ECONOMIC PROGRAM

PY152358 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 83 p 28

[Text of interview granted by President Joao Figueiredo during television program "The People and the President"]

[Text] [Question] Good evening, Mr President.

[Answer] Good evening, Ney.

[Question] Mr President, the entire country is now debating the new economic package, the consequences of the measures enacted by the government, the gasoline price increase, the tax burden increase, and the general increase in the cost of living. Everybody realized that you were very concerned during the last program. Now that the package has been enacted, are you still concerned?

[Answer] I am still very concerned. Our country's economic situation is difficult, on both the internal and external fronts. And the situation will continue to be difficult. It is like a ship in the middle of a storm surrounded by waves, but the ship cannot stop. It must follow a course to get out of the storm. Passengers cannot comfortably travel during a storm because everybody is affected. The trip cannot be calm and comfortable, but the storm is here and we are all in the middle of it. We must choose a course and then stand firm, all of us, and continue our trip.

[Question] Mr President, you say we must follow a course. What are the alternatives, what is the course set up by this new package?

[Answer] The package is directed at solving inflation, which is the main problem we are now facing. If we fail to reduce the inflation rate, it will be impossible to enact any other measure or implement any program for the benefit of the people. We could coexist with moderate inflation, as we did last year, but not with an inflation rate of over 100 percent a year. With such a high inflation rate nobody would be able to produce or make plans, neither the government nor the private sector. The consequences would then be shouldered by workers. That is why the package includes a series of measures aimed at curbing inflation. Everybody has agreed that the public deficit is one of the main internal causes of inflation. I then approved those measures to reduce the deficit, that is, to reduce public spending and to increase tax revenues.

[Question] But that, Mr President, will impose a sacrifice on many people, won't it?

[Answer] Naturally. Unfortunately, that cannot be avoided, but I expect that the sacrifice that all of us will make now will be compensated in the future when we succeed in curbing inflation. Only a lower inflation rate will allow us to resume our development programs, our growth, and create jobs for everybody. Concerning the consequences of those measures, I would like to say that, first, the burden must be borne by everybody -- particularly those who have more. The government will, in the first place, be cutting public spending. Bankers, industrialists, businessmen, and, in short, everybody must follow. Second, I want to stress that we must defend the northeastern region from the drought and that we must help those southern regions that have been affected by floods. We must channel our resources to help our brothers who have been affected by those disasters.

We are already doing that. In fact, this reveals the magnitude of our problems. In addition to the difficulties arising from the world crisis and from inflation, we still have to cope with disasters. However, our confidence must stand firm. We have the capacity and the willingness, and we will overcome our present difficulties.

[Question] Mr President, the people, the public, realize that the magnitude of the problem is indeed impressive. You have just referred to the internal and the external fronts. What we would like you to tell us now is this: Will the measures you have just adopted address all of our problems?

[Answer] No, not at all. For one thing, the economy of our country and the economy of the world are both inserted into a dynamic reality. We must accompany its evolution and we must continuously make decisions and take steps to manage events or, at least, to seek to control them in the best possible manner. For another, new complementary measures are very likely to be necessary, in addition to the ones that were enacted last week. The government is listening to suggestions and new decisions may be necessary.

[Question] Mr President, that refers to the internal front. We would like to ask you the same question concerning the external front. What does the external front depend on? Does it depend on the IMF? Does it depend on foreign bankers?

[Answer] Just a moment, let us be clear. We owe a debt to foreign banks. Anyone needing credits or bank loans must meet his obligations and repay his debts. The same applies to countries. Brazil must meet its obligations and repay its debts; but that does not mean that bankers will give us orders. Borrowing money from a bank does not empower the banker to give orders to the borrower. The banker could, at most, refuse to lend the money. Therefore, to negotiate the debt and the repayment schedule does not mean that we will have to obey orders from either foreign banks or the IMF. The IMF is merely a source of funds. It can lend us money at rates which are lower than bank rates. Is this clear?

Well, I said that the external front does not depend on us because it depends on negotiations, or on a series of negotiating steps between ourselves and foreign banks, which have their own interests. That is the key to this question: They have their own interests. We have to negotiate to reach a point at which their interests and our interests are in a balanced position. They want to make profits and they want a guarantee that we will pay. We need the money for our development. Therefore, we must show that we are serious partners, that the country can grow and that we are capable of overcoming our difficulties.

[Question] Mr President, what about the internal front? Could I ask you whether the situation inside our country also depends on us?

[Answer] It is difficult to answer that question. Let us see if I can make myself understood. To a large degree, the internal situation depends on us. External factors, such as oil price increases, interest rate increases, and so forth, account for a substantial portion of the responsibility for inflation. However, the truth is that internal social and administrative pressure has led us to live at inflationary levels (if such an expression exists). In theory, we could have made it without foreign loans, but at what cost? At the expense of delaying our development programs, stagnating agriculture, and creating much fewer jobs in recent years.

We decided to maintain our growth rate while it was possible. Now, at least for a certain period, we will have to cut spending and investment, and we will do that. Therefore, the control of the internal situation depends on us. We must have the necessary resolve and unity to undertake the initial stage -- a difficult one -- in which the economy will be adjusted to nonsubsidized prices and programs and implemented with smaller resources.

[Question] Mr President, a last question. In sum, is the package aimed at curbing inflation?

[Answer] That is right. All of us and our nation are following a course, a trend, in which inflation runs fast and everybody contributes to that. All sectors draft their plans, produce, and work in a way that always includes the inflation factor in everything. This speeds up inflation. All of us are in the same boat and will go over the waterfall. In this regard, the internal situation is stronger than we are. We need to row with the current. Until recently this was perhaps the best course because we could easily obtain resources abroad. That has changed. We will have to change the course. Now we will have to row against the current.

[Question] Do you expect that this will happen in all sectors of our economy, that is, will everybody row against the current?

[Answer] Well, all of society must fight inflation. I know that inflation benefits some sectors. I know that some sectors of our economy grew rich through inflation, but now all of us will fight against inflation. The government has enacted measures and will take new measures specifically aimed at each sector so that everybody will join in the struggle. Sectorial adjustment measures will be made for the benefit of the entire economy. As I said on the last program, the inflation rate increase, skyrocketting interest rates, the foreign debt growth, and the rise in unemployment are not objectives of my government.

[Question] Mr President, good night and thank you very much.

[Answer] Good night, Ney. Good night, gentlemen.

LAST LIBYAN PLANE DEPARTS FOR TRIPOLI 14 JUNE

PY160119 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 83 p 5

[Excerpt] Recife -- Yesterday after almost a 2-month stay at the Recife Air Base, the Libyan Hercules C-130 plane, the last of the four Libyan planes which Colonel Al-Qadhdhafi sent to take arms to the Nicaraguan Government, left Brazil carrying part of the freight and the last of the crews. The Hercules took off at 0600 for Tripoli with a technical stopover in Mauritania.

The plane was supposed to leave on Monday. On Sunday it took off with five men of the crew and went to Rio de Janeiro to load the remaining freight. However, on its return, the plane developed a malfunction in one of the turbines. The malfunction was repaired by air force personnel but it delayed the departure until yesterday.

POLICE THWART DEMONSTRATION IN SAO PAULO

PY151305 Sao Paulo Radio Bandeirantes in Portuguese 1000 GMT 15 Jun 83

[Text] The military police have once again thwarted a demonstration that unemployed workers staged at Largo 13 de Maio Square in Santo Amaro, Sao Paulo. Four hundred unemployed persons were displaced to (Padre Jose Maria) Square 500 meters from 13 de Maio Sqaure, where they were released. (Maria Arley de Alves) was arrested and released 2 hours later. Like (Antonio Emigdio), (Maria Arley) was charged with incitement of the demonstrators.

Demonstrators raised some money which they used to buy bread and bananas. Eating bread and bananas, demonstrators insisted on returning to 13 de Maio Sqaure. When he saw the distribution of bread and bananas among the demonstrators, military police Captain (Nobrega) said ironically: "They were hungry."

COMMUNIST PARTY ISSUES POLITICAL PROPOSAL

PY151515 Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Jun 83 p 2

[Text] In a document released yesterday in Sao Paulo by Secretary General Giocondo Dias, the Brazilian Communist Party [PCB] proposed, as a solution to the political, economic, and social crisis, the alliance of opposition forces with liberal sectors of the PDS [Social Democratic Party]. In an interview, Giocondo Dias said that he is willing to talk with representatives of the pro-government party, and praised the Rio de Janeiro PDS President Moreira Franco.

The PCB secretary general said that the PMDB [Brazilian Democratic Mobilization Party], which the communists supported in the November 1982 elections, has assumed a stay-put attitude which the PCB secretary general attributed to a process of "realignment of political forces." Dias recognized that "the leadership of the PMDB now needs to consider the opinion of its nine governors," but pointed out that the PMDB, as the largest opposition party, has to strike a more firm opposition stance.

The document of the National Board of Communist Leaders -- the current name of the former PCB Central Committee -- makes an analysis of the political chessboard resulting from last year's elections, and the coming to office of opposition governors 3 months ago: "After November 1982/March 1983, a politically different country emerged in which the government's heavy-handedness gradually tends to make room for negotiated solutions."

As an example of that, the Communists point to the recent PDS-PTB's [Social Democratic Party-Brazilian Labor Party] congressional agreement, observing that "the democratic front (of the opposition) is not reacting with the necessary agility to the moves of the regime. It not only has not acted in the appropriate manner in order to consolidate the elbow room it has gained, but it has also not managed to rearrange itself in such a way as to come up with a broad unity to prevail over its diversity."

The Communist leaders emphasize that a solution to the crisis can be found "through a united policy of the opposition with PDS sectors in order to give the democratic front a new framework." In its document, the PCB supports "state governments with a wide democratic coalition" emphasizing that "only this proposal (the alliance of the opposition with PDS sectors) can prevent the regime from manipulating negotiations which -- although favorable to democratic sectors from a short-range viewpoint -- will only benefit the regime."

The Communists insist on the need for a "negotiated solution" of the crisis and point out that this "will only be achieved by supporting a reorganization of Brazilian society in accordance with the democratic forces' understanding that it is impossible to disassociate political solutions from socioeconomic solutions. This is quite clear with regard to the problem of the foreign debt, an economic aspect which is the most serious part of the crisis."

In order to justify the negotiations with PDS sectors, the PCB emphasizes that "in order to confront imperialism and its financial organizations without giving up even more of our sovereignty, it is necessary to conform a wide spectrum of social and political forces. Whichever way the problem is focused, it will only contemplate national interests if the Brazilian side represents the common denominator of these interests."

In an interview, the PCB secretary general explained the purpose of his party by supporting an alliance with PDS sectors. He said: "If those PDS sectors support the same objectives proposed by the democratic front, there is no reason for us not to join them. This is a problem of tactic and strategy, not that they are going to join the opposition parties or that the opposition is going to join the PDS. The idea is to get all those who support the interests of the majority of the nation to act togehter."

PMDB DISAGREEMENT OVER FIGUEIREDO SUCCESSION

PY150325 Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Jun 83 p 1

[Text] Sao Paulo's governor, Franco Montoro (PMDB) [Brazilian Democratic Movement Party] has accepted indirect elections of a compromise candidate to succeed President Figueiredo, "in the event that direct presidential elections, the best solution for the country, prove to be impossible." However, PMDB's chairman, Deputy Ulysses Guimaraes, ruled out all bargaining options which do not meet with the opposition's two main demands: direct elections of Figueiredo's successor and the convocation of a national assembly.

The idea that a campaign for direct elections, "is necessary but farfetched," and that the opposition must negotiate with the PDS [Social Democratic Party] for a compromise candidate, was advocated by Minas Gerais Governor Tancredo Neves in an interview published yesterday by JORNAL DO BRASIL. The reinstatement of direct elections and the amendment to the constitution would be slated for a second subsequent stage, once the successor has been elected. Tancredo suggested that this successor be chosen from a list made up of three government members and three opposition members.

However, Ulysses Guimaraes disagreed: "The crisis is so serious that no headway is made by engaging in arrangements at the top which the people do not endorse." For his part, Senator Fernando Henrique Cadoso (PMDB-SP) remarked: "I would not wait until the house fell down around us to see whether it was going to fall on the side of a hardening of the regime or on the other side bringing direct presidential elections closer. We must bargain, even at a risk."

GALVEAS ADMITS INFLATION TO PASS 100 PERCENT

PY151315 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 15 Jun 83

[Text] Finance Minister Ernane Galveas for the first time has admitted that this year's goal of a 100 percent inflation rate will not be attained. The 100 percent rate had been agreed upon with the IMF in the agreement signed in February. Speaking in Brasilia, Minister Galveas referred to a new letter of intent as mere speculation, remarking that it is still early to pass judgement on the issue because the conclusion of the evaluation made by the IMF technicians is not yet known.

OIL IMPORTS DECREASE, TRADE BALANCE IMPROVES

PY151545 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Jun 83 p 22

[Excerpts] Brasilia -- The Brazilian trade balance has shown a surplus of $671 million for the month of May, which was regarded by Finance Minister Ernane Galveas as "a record in the country's history." With this figure, the surplus for the first 5 months of the year totals $2,121,000,000. An additional $3,879,000,000 are required to achieve a goal of a $6 billion surplus. The minister admitted that, now that the goal agreed upon with the IMF of achieving a $6 billion surplus at the end of the year "is drawing closer, we are on the right road."

Oil imports for the month of May amounted to $680 million, while in May 1982 they amounted to $880 million. For April 1983 oil imports totaled $713 million. According to what [Foreign Trade Department Director] Vicacava said yesterday, over the next 7 months oil imports should decrease even further to approximately $600 million. If we compare the first 5 months of last year with the first 5 months of this year, it becomes evident that oil imports have decreased by $629 million, a drop from $4.4 billion to $3,375,000,000.

To prove the thesis that exports play a greater role in achieving larger surpluses, the Cacex [Foreign Trade Department] director gave some figures. Several of the chief Brazilian export products recorded a sustained income growth over the first 5 months of this year: steel sheeting rose by 65.82 percent; soybeans by 11.39 percent; beef by 18.99 percent; and organic chemicals by 34 percent.

U.S., OTHER COUNTRIES WARNED ON FISHING OPERATION

PY151710 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Jun 83 p 5

[Text] Brasilia -- On Friday, Itamarati sent notes to the governments of the United States, Suriname, South Korea, and Japan, warning them about the presence of fishing boats from those countries at the Brazilian coast, and announcing Brazil's resolve to enforce international laws and regulations which even provide for the sinking of ships that illegally operate in the territorial waters of any country.

The notes were sent out "to avoid more serious incidents," as a Foreign Ministry spokesman put it. This reflects the Brazilian Navy's decision to sink any fishing boat illegally operating at the Amapa coast which refuses to heed Brazilian patrol boats' commands while in Brazilian territorial waters.

PROTEST ENDS IN DISORDERS, DEATHS, DETAINMENTS

Terror, Chaos, Looting

PY151410 Santiago Domestic Service in Spanish 1100 GMT 15 Jun 83

[Excerpts] Terror, chaos, and looting was the result of the day of peaceful protest, so-called by Rodolfo Seguel and his supporters.

Yesterday began with the burning of public transport vehicles. There were also attempts to cut the southern railway by placing explosives on the track and at powerline pylons. The streets were strewn with puncturing devices to prevent public transport from its normal public service. In the evening, the Marxist agitators took advantage of the dark and sallied forth into the streets to start a night of terror and chaos. The disorders took place in various parts of Santiago, mainly in the neighborhoods of (Guinoa), San Miguel, La Cisterna, Pudahuel, and Renca. The incidents cost the lives of two youths, 14 and 20 years of age respectively. There are also six injured, five of whom [words indistinct]. The streets of the capital were blocked with barricades made with tires and trees which were then set on fire by the terrorists.

Antisocial elements using death threats demanded that car drivers pay a road toll. Last night in the sector of Penaflor bridge, groups of terrorists took up their posts armed with stones, sticks, and iron bars. They stopped all vehicles traveling in the sector and then demanded a 200-peso road toll from the drivers. If the driver refused, they started to destroy the vehicle, beginning with the windshields and continuing with the car bodies and then attacking the driver. Those who paid the money demanded by the terrorists were escorted out of the sector.

About 350 individuals have been arrested during these incidents caused by Marxist extremists. This provisional figure has been released by police sources. It was stated that those arrested are held at various police units and added that an official report will be released within the next few hours with the names of detained agitators. The arrests took place in several sectors of the capital.

3 Dead, 1,200 Detained

PY160406 Madrid EFE in Spanish 0332 GMT 16 Jun 83

[Excerpt] Santiago, 15 Jun (EFE) — Today various radios in Santiago reported that 3 people died and 1,200 others were arrested during the national protest held on Tuesday. The reports made by the radio stations differ from the official figures reported by the authorities. The authorities reported only the death of the youth Patricio Yanez, 14, who was shot from a passing car while he was watching an incident.

The three deaths reported by the radio stations have not yet been denied. The radio stations reported Yanez's death plus those of Patricio Rios, 21, who died in a similar way, and of Sergio Castillo, who died at the Sotero Rios Hospital in Santiago.

The office of the mayor of Valparaiso officially reported that 420 people were arrested in Valparaiso, added that most of them have already been released and that only two of them remain at the disposal of the Interior Ministry. In addition to the official figures, the media reported 630 arrests in Santiago, 100 in Concepcion, and several scores in other provinces such as Temuco, La Serena, and Antofagasta.

GOVERNMENT COMMUNIQUE ON PROTEST REPORTED

PY152217 Madrid EFE in Spanish 2058 GMT 15 Jun 83

[Text] Santiago, 15 Jun (EFE) -- Today Chilean Interior Minister General Enrique Montero said that "because of the irresponsible behavior of Mr Seguel as main spokesman for the group that called the national protest, the Interior Ministry has ordered his arrest."

In a lengthy public statement, the Chilean Government set forth its attitude toward the events which took place yesterday throughout the country as a result of the call for a day of national protest made by the multiunion dissident group. The official toll of these events is one dead and over 600 persons under arrest.

General Montero, who read the government communique, announced that Rodolfo Seguel, president of the multiunion group, will be brought before the court to be tried for violating the state internal security law. The interior minister said that "the government cannot allow events like yesterday's to be repeated, taking advantage of the concern which certain sectors feel because of the country's difficult economic situation." The government also called upon the citizens "not to allow themselves to be carried away by those who have gone too far with their self-styled union leadership which they do not deserve."

The military government stated that the day of protest was taken advantage of by "Marxists, extremists, and violent individuals, a fact which could hardly escape the notice of those who organized the day of protest." The Chilean Government feels that ideologies which outwardly call for nonviolent methods actually seek to unleash chaos and anarchy by using terrorism and subversion as a means to attain power.

Rodolfo Seguel, the president of the multiunion group, is being held at the headquarters of the investigative police. Menawhile, the police reported that Tuesday's incidents cost the life of Patricio Yanez Figueroa, 14, and that more than 600 persons were arrested throughout the country.

The day of national protest was called by the multiunion group as a way to obtain support for its plea for a return to democracy.

[Santiago Radio Mineria in Spanish at 2145 GMT on 15 June reports that the Chilean Interior Ministry has stated that Rodolfo Seguel has been transferred to a state prision on orders of Judge (Hernan Cerejeda) of the Santiago Court of Appeals]

Dissident Unions' Statement

PY152255 Madrid EFE in Spanish 2217 GMT 15 Jun 83

[Text] Santiago, 15 Jun (EFE) -- Today the multiunion group which opposes the Chilean military regime said that Tuesday's protest "is proof that the people are tired and reject the political, economic, social, and cultural situation we are now experiencing."

The public statement of the multiunion group was read by the president of Chilean state workers. It strongly criticized the "acts of vandalism which took place yesterday," and blamed the Carabineros "for withdrawing police protection from vast areas of Santiago which facilitated the criminal actions of gangs especially prepared for this." The multiunion group said that the withdrawal of police "involves the government in a serious way in the perpetration of the above-mentioned acts of violence, an involvement which the union leaders themselves were able to ascertain last night."

According to the unions, "in order to conceal and downplay its responsibility, the government decided to arrest the head of the protest leadership, Rodolfo Seguel, against whom violence and force were used without any warrant issued by the appropriate judge." The multiunion group added that this action "makes it clear that the government does not wish to seek peaceful means to overcome the severe crisis which is plaguing Chile, and this must be understood by all Chileans."

Seguel May Be Banished

PY151820 Paris AFP in Spanish 1542 GMT 15 Jun 83

[Text] Santiago, 15 Jun (AFP) -- General Fernando Paredes, director of the police investigations service, has stated that the Chilean labor union leader Rodolfo Seguel, detained today by a group of heavily armed policemen, will not be expelled from Chile. The police chief told AFP that Seguel, president of the Copper Workers Confederation (CTC), is at the disposal of the Interior Ministry.

Seguel, who yesterday headed the second general protest action against General Augusto Pinochet's government, is under charges for breaking the State Internal Security Law. The leader of the 22,000 copper workers was indicted last Monday by a special judge who is investigating, on a government request, Seguel's degree of responsibility for the call to the first national protest which took place on 11 May. However, on that occasion the Santiago Court of Appeals released the union leader on bail. It is not ruled out in government circles that Seguel may be banished for 3 months to some remote part of the Chilean territory.

Copper Mines To Strike

PY160058 Madrid EFE in Spanish 0026 GMT 16 Jun 83

[Excerpts] Santiago, 15 Jun (EFE) -- The workers of El Salvador copper mine, the third largest copper mine in the country, have decided to strike beginning with the shift that begins at 1200 GMT tomorrow, Thursday. The strike will take place to protest the arrest of Rodolfo Seguel, president of the Confederation of Copper Workers (CTC).

This was announced tonight by Roberto Carvajal, secretary general of the CTC, who added that the miners of Chuquicamata -- the largest cooper mine in the world -- El Teniente and Andina will strike on Friday.

The decision reached by the workers of El Salvador was also motivated by the fact that the management fired 23 workers and closed down the mine yesterday during the day of national protest. On the other hand, the local branch of the multiunion group in Magallanes, in the far south, has indicated to the CTC that it has put its rank and file on alert, that its executive board is in permanent session, and that it will immediately comply with any decisions of the CTC headquarters.

APRA LEADER WANTS 'COMBATIVE' LABOR UNIONS

PY151525 Madrid EFE in Spanish 2301 GMT 10 Jun 83

[Excerpt] Lima, 10 Jun (EFE) -- Today Alan Garcia, the secretary general of the "American Revolutionary Popular Alliance" (APRA), demanded that Peruvian unions adopt a "combative attitude" to make the government meet the people's demands. Garcia, who is also APRA deputy, said that he asked the APRA labor organization "to adopt an active and combative attitude in support of workers' demands."

The APRA leader, who is expected to run as APRA candidate for president in the general elections scheduled for 1985, said that all labor organizations -- the APRA, the Communist, the Christian Democratic, and the labor organization that was created by the last military government -- must defend workers and have the government listen to their demands. He remarked that the line of the APRA labor organization, one of the most influential in Peru, must be "combative, belligerent, and by no means compromising." APRA claims to belong to the democratic left.

Garcia said that the recent bread, rice, electric power, fuel, milk, and medicine price hikes "are too high a price for the gratitude of the Peruvian people, who chose President Fernando Belaunde twice." Alan Garcia also criticized Economy Minister Carlos Rodriquez Pastor, who recently said that the government's economic policy would not be changed no matter what the protest may cause. Garcia referred to the economy minister as "intolerable, intolerant and insolent." His "grandeloquent and proud attitude," Garcia noted, could only be tolerated "if the government were doing well." Garcia remarked that the government policy has plunged the country into "chaos" and that "it is driving the nation toward collapse."

The APRA leader ruled out the possibility of a coup, which the Army and President Fernando Belaunde have also recently ruled out. Garcia said that the government is "the main enemy of democracy" because of its "arrogance."

DAILY SCORES U.S. INDIFFERENCE IN SOUTH AMERICA

PY151925 Lima EXPRESO in Spanish 9 Jun 83 p 18

[Editorial: "The United States: Indifference Regarding the South American Democracies"]

[Text] The famous U.S. daily, THE NEW YORK TIMES, has recently devoted its editorials to comment on the threats which the South American democratic regimes -- gathered in the so-called Andean Pact -- are facing, and the indifference Washington has shown in that regard.

In the particular case of Peru -- a country to which it devotes a great number of its commentaries -- the New York daily points out that "a fragile democratic regime is struggling against droughts and floods, an unrelenting terroritst wave, an $11 billion foreign debt, and an economic recession." The commentary then points out that "Today Peru's problems belong to the Peruvians, but that in the future they could also belong to Washington."

THE NEW YORK TIMES also notes that this difficult situation affects other countries of the area to the same degree pointing out that "the difficult transitions toward democracy (in South America) have taken place at the worst time of the economic crisis."

Within this restless context, THE NEW YORK TIMES points out the lack of information which the U.S. public has regarding the political development of the five Andean republics "which probably for the first time, since Simon Bolivar's times, are headed by constitutional presidents." The indifference regarding the South American democratic world could be the logical result of the lack of importance which Reagan's administration grants to the problems of our Andean republics, and which is reflected in the poor assistance programs and the lack of an ambitious, dynamic, and coherent policy aimed at consolidating the democratic regimes established with the mandate of the people, and which respect the citizens' rights and liberties which today are confronted with the threat of subversion and the consequences of an international economic crisis which has no precedent.

In view of this obvious relegation, one wonders whether Reagan's administration is waiting for this subregion to become a powder keg similar to Central America before doing anything to help. We do not request any donations or manipulating interference. We merely seek fraternal cooperation and decided moral support from the most important democratic country in the world for friendly nations who also practice that irreplaceable form of government.

ARMY GARRISON ATTACKED, POWERLINE BLOWN UP

PY150316 Madrid EFE in Spanish 1531 GMT 14 Jun 83

[Excerpt] Lima, 14 Jun (EFE) -- Presumed terrorist elements attacked an army garrison in Lima last night with gunfire and dynamite.

The "Barbones" garrison that was attacked is the place where the "Husares de Junin" regiment, the presidential escort, is quartered. The attackers threw the dynamite from a moving car while they fired machinegun bursts at the garrison. They immediately received a response from the garrison. Press reports stated today that three soldiers were wounded. The police have detained 40 suspects thus far, 10 of whom are women.

In Arequipa, the second largest city of Peru, located some 1,000 km south of Lima, two powerline towers were blown up leaving 70 percent of the city in darkness for about 5 hours and causing confusion among the people.

BOMBS IN LIMA ATTRIBUTED TO SHINING PATH

PY151505 Paris AFP in Spanish 0306 GMT 15 Jun 83

[Text] Lima, 14 Jun (AFP) -- Today two explosions in downtown Lima alarmed the population, but caused no damage or victims.

One of the bombs was planted about noon in the Santo Domingo Square, 100 meters away from the Presidential Palace. The police antiterrorist squad set it off. The other bomb was placed tonight in front of the Federation of Bank Employees headquarters, located on Emancipacion Avenue downtown. The police also set it off.

Although nobody has claimed responsibility for these attacks, the authorities regard them as propagandist action by the Maoist Shining Path group.

MINISTER ON TERRORISTS, POLITICAL PRISONERS

FL151443 Havana Domestic Television Service in Spanish 1140 GMT 15 Jun 83

[Text] Lima -- Peruvian Justice Minister Armando Buendia has disclosed that at present there are approximately 800 prisoners charged with being involved in terrorist activities.

Buendia described reports that there are 2,000 political prisoners in Peru as false and exaggerated.

PUNO PEASANTS FLEEING EFFECTS OF DROUGHT

PA130019 Havana International Service in Quechua 2200 GMT 8 Jun 83

[Text] Puno Department residents, including thousands of peasants, are being driven to the jungle areas of Peru near the borders with Bolivia and Brazil by the effects of the drought that has hit Puno this year.

(Juan Carlos Malagarte), president of the Puno development corporation, appealed to the Peruvian Government stating the urgent needs of the peasants who are currently experiencing hardships and hunger because of the drought affecting Puno. (Malagarte) said that the government should not allow the residents of the area to move to the border areas because they will face many difficulties there as well. The drought has caused the peasnats to lose all their crops and their small reserves of food have been depleted.

GOVERNMENT INSTALLS NEW INTERIOR MINISTER

PY151445 Paris AFP in Spanish 1435 GMT 15 Jun 83

[Excerpt] Montevideo, 15 Jun (AFP) -- Today General Hugo Linares Brum, retired, was installed for the second time in the last 10 years as interior minister, replacing General Yamandu Trinidad who died last Monday.

The ceremony was held this morning in the Government House where President General Gregorio Alvarez conducted the swearing-in in the presence of the junta commanders and the entire cabinet.

RESUMPTION OF MILITARY-POLITICAL TALKS

PY152202 Paris AFP in Spanish 0228 GMT 10 Jun 83

[Excerpts] Montevideo, 9 Jun (AFP) -- The role that the Armed Forces expect to play in future administrations, the public freedom issue, and the proscriptions of political leaders and parties were identified as the major problems to be tackled in Uruguay at the resumption of the talks today between politicians and the military, with a view toward the country's return to democracy.

At the closing of today's meeting [words indistinct] by political spokesmen that next Monday the talks will be resumed, but this time arranging the issues to be discussed in seven all-encompassing chapters, including all the claims mentioned.

General Julio Rapela, chairman of the Armed Forces Political Affairs Commission (COMASPO), revealed the [word indistinct] of agreement over several items put forth by the political leaders. For the time being, the political spokesmen said, the military have agreed to discuss all the issues, including public freedom. They will be discussed when the negotiations are formally opened on Monday.

Likewise, the political leaders will discuss with the Armed Forces the document that the military has submitted, nearly all of which focuses on subversion, according to the parties.

To observers, the resumption of the talks in an atmosphere of mutual respect opened the doors to a flexible attitude by both sides, as shown by the agreement to fully discuss the domestic problems. However, these observers recalled that there are issues on which both sides will clash head on, especially regarding public freedom, on which there are obvious disagreements regarding criteria.

Time and again the politicians have called for party pluralism to a certain extent as a means to prevent infiltration by the left, which has been left out of the redemocratization process. Recently, high-placed military sources flatly denied the lifting of proscriptions imposed on these groups and their leaders, especially the Communist Party and the Socialist Party. Only the Christian Democrats and some politicians of the long-established parties may have a chance to appear in the country's political arena, the sources said.

The role to be played by the Armed Forces in future administrations is one of the key items for discussion, and it will surely lead to lengthy talks, as long as the constitutional provisions for that role are not established -- that is, whether they will participate or control.

The amendments that are being examined will be subject to a plebiscite in March or April 1984, and in November 1984 general elections will be called.

RURAL FEDERATION LEADS STRIKE, 'PARALYSIS' NOTED

PY151715 Paris AFP in Spanish 1519 GMT 15 Jun 83

[Text] Montevideo, 15 Jun (AFP) -- A total paralysis of all productive, commercial, and financial activities linked to the Uruguayan rural sector is taking place today as a consequence of the celebration of the rural workers' day decreed by the Rural Federation.

The measure, which was decided on during a meeting held by the Rural Federation on 28 May to protest the civilian-military government's economic policy, has prompted a government warning. The government has also subjected the rural leaders to court procedures charging them with having committed a crime by inciting the workers to a general strike. The leaders have denied such charges and pointed out that today will be devoted, as has already happened this morning, to paying homage to the independent Uruguayan forefather, Jose Artigas.

The rural workers unions are the only ones which have functioned since 1973 when unions and workers' measures of force such as strikes were prohibited.

BRIEFS

MEAT EXPORTS -- The National Meat Institute reports that Uruguay exported 106,000 tons of meat during the first 5 months of 1983 and 26,900 tons during May 1983. The institute adds that 56 percent of the meat exported furing May 1983 was beef. [Summary] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 10 Jun 83 PY]

JANUARY-MARCH EXPORTS -- It is reported that traditional exports had a 57-percent, and nontraditional exports a 43-percent, share of the total amount of products exported during the first 3 months of 1983. It is also reported that the balance of trade had a surplus of almost $90 million and that beef exports amounted to almost $63 million during this period. [Summary] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 7 Jun 83 PY]

HERRERA CAMPINS' BIWEEKLY PRESS CONFERENCE

PA141650 Caracas Domestic Service in Spanish 2300 GMT 13 Jun 83

[Biweekly Press Conference No 43 held by Venezuelan President Luis Herrera Campins; place not given -- live]

[Excerpts] [Guillermo Jose Feliz] I wanted to ask a very concrete question, but when I awoke today I saw a news dispatch from Bonn in the morning papers referring to our country's economic problems. I would like to ask if you have contacted our ambassador in Bonn about the report published in the newspaper DER SPIEGEL, and is there any truth to that report?

[Herrera Campins] I have not contacted our ambassador, my friend Dr Adolfo Aristiguieta. I also read the report to which you refer. Of course, I believe that it amounts to exaggerated speculation about Venezuela's situation.

After having a long talk last night with the finance minister, who had just arrived from the United States where he met with the advisory committee on refinancing the debt consisting of representatives of [words indistinct], and after having talked with IMF executives as I told EL UNIVERSAL reporters last night, I feel reasonably optimistic on this issue. I genuinely believe that the country is in a better position than any other country in or less similar circumstances. Our country has resources and reserves that will overcome this difficult situation, the existence of which we have never denied.

[Question by unidentified reporter] Currency exchange measures have increased unemployment. There is talk of eliminating several ministries or merging them with other government agencies. A national labor leader has said that by year's end there will be approximately a million unemployed in the country. What will the government do to overcome this situation?

[Herrera Campins] I don't believe that the currency exchange measures are directly responsible for the unemployment problem. It must be blamed on the economic situation affecting the world, the continent, and the nation, which has obviously resulted in certain economic restrictions, of which we are perfectly aware. We are trying to avoid the negative social consequences that this might produce, particularly in terms of unemployment.

When we say that we must turn our attention to agricultural and livestock activities, we are pointing to what should become a national priority these days, something that will surely be a priority for the next administration: agricultural and livestock activities, agro industrial activities, and agrocommercial activities. All of these have a great capability of creating jobs. Providing incentives to small and medium-sized industries and to artisans also offers great opportunities for creating jobs.

People naturally notice it when, for whatever reason and especially under our current economic difficulties, workers are fired from a factory. However, we might tell them that compensation is made in a way that is very favorable to the country's interests; in Guyana for instance, we recently dedicated and set in motion (INTERALUM), which will either directly or indirectly provide more than 5,000 jobs.

At the request of businessmen, I am constantly dedicating factories in the interior, especially in the central area, which offers many job opportunities. On Wednesday I will dedicate a factory in Valencia and another in Maracay. These two factories represent investments of over 100 million bolivares. Next week I will dedicate another large factory in (Guapire), another investment of more than 50 million bolivares. In other words, these industries truly create jobs. We are perfectly aware of our situation and are taking action to keep the consequences of the world's financial and economic difficulties [words indistinct] be the smallest possible on Venezuela's workers.

[Lozada Rondon] Mr President, Democratic Action [AD] President Dr Gonzalo Barrios recently said that we are either on the threshold of ruin or in the last days of wealth. The government behaves like rich people who, although ruined, still have things left to sell or pawn. The government will assume the political cost of the gasoline price hikes only if doing so benefits its finances. What is your view of this statement?

[Herrera Campins] I think it is exaggerated because if ever a government has shown that it does things and takes measures by taking the country's needs rather than its own interests or those of the political group that backs it into consideration, it is the government over which I preside.

However, I am not surprise by these attacks because I have noted that at an opposition party meeting this past weeekend they agreed to further intensify -- if such a thing is possible -- their opposition to the government. This is in addition to their opposition to another candidate's chances of victory. In a way this is satisfactory for me, because if the government had not done a single thing to show to the country, if the government had no influence among the Venezuelans, and if the government had done nothing, they would not concern themselves with it as vehemently and firmly as they have recently done, or with the vigor they plan to display in the next few weeks.

[Coromoto Alvarez] A visit by an IMF mission is still pending, and many people feel that the IMF conditions for Venezuela will put a straitjacket on development, progress, and even on the electoral promises of both candidates and parties during the electoral campaign. Do you think that it will be possible to define a policy, a strategy, or a tactic to confront the IMF conditions during the announced consultations with the political parties? Also, is a moratorium the immediate prospect so that the next administration will be the one to face this situation?

Another very interesting question concerns Central America. After meeting with you today, Andres Zaldivar, president of the Christian Democratic International, said in a report on the Central American subregion that unless there is a democratic and peaceful solution, a literal volcano of conflicts will erupt and generate a very delicate situation, to the point that unless there is a democratic solution in Nicaragua there will be no solution in the subregion. What is your opinion?

[Herrera Campins] On your first question, the government is still interested in dialogue with all sectors. It will keep both the government party and opposition parties abreast of all developments connected with the negotiations.

Venezuela is holding talks with the IMF under better conditions than any other country because so far no other country similar to ours, which has held talks with the IMF under difficult circumstances, has had 9 billion in reserves, of which 4 billion are liquid or (?heterogeneous) reserves. That difference must necessarily be reflected in the imposed conditions. In addition, since 1981 and particularly last year, we have been taking measures to restrict public expenses and to increase certain rates, etc., which in other countries are only now being suggested -- not to say being imposed -- when they hold their talks with the IMF. In that regard, we have made a lot of progress.

As for Central America, we are one of those who believe that efforts must continue to be made to guarantee peace and detente in Central America. The Contadora Group has been doing that quite well, even if the results of the recent foreign ministers meetings cannot be assessed right away. The situation is delicate because not only must peace be guaranteed -- we might say that this is an essential condition -- but efforts must also be made to achieve economic growth in the region so that these countries can overcome their current economic difficulties and eliminate the social injustices that underlie many of the current situations and acts of violence.

Finally, there is the problem of achieving democracy in each of these countries, so that there can be a better understanding and so overall development, freedom, and peace can be guaranteed.

I think that the Contadora Group works very well politically, but economic and social actions and important programs such as energy cooperation being sponsored by both Mexico and Venezuela must also be undertaken. There are also political incentives provided by organized political sectors in these countries and by their friends in the Central American countries which are intended to promote the process of democratization.

I talked to Jose Napoleon Duarte the last time he visited Venezuela, and I think that he is moderately but realistically optimistic. I hope that general elections can be held in El Salvador this year. That would be the first step toward a democratic solution. All organized democratic sectors are intent on promoting this idea, which is also gaining ground among the sectors connected with the guerrillas and with the terrorist subversives.

[Moderator] (Marcel Roo) Gonzalez, of the EFE agency.

[Roo Gonzalez] Mr President, last night Foreign Minister Zambrano Velasco said that during this talks with the UN secretary general, they discussed the correct implementation of the Geneva treaty in connection with the claim over the Essequibo territory. Mr President, is this a warning from Venezuela on the possibility of Guyanese pressures on the UN secretary general?

[Herrera Campins] We have learned of no such pressures thus far. The UN secretary general has been holding talks and making contacts with both Venezuela and Guyana, and he is eager to fulfill the duties assigned him by the Geneva agreement.

PRESIDENT DE LA MADRID ON HISTORICAL ROLE OF PRI

PA150245 Mexico City EL DIA in Spanish 11 Jun 83 p 6

["Shorthand version" of speech by President Miguel de la Madrid, at a breakfast given by the Institutional Revolutionary Party, PRI, on 10 June in Guadalajara, Jalisco State]

[Text] Fellow party members, ladies and gentlemen: The Institutional Revolutionary Party, PRI, gave me the opportunity to launch a new campaign for the Mexican revolution beginning in September 1981. The PRI and I together perceived the nation's feelings in that campaign, which resulted in the most overwhelming and genuine election of our political history. In that campaign, our party's basic principles made it possible to update and advance the concepts that have been the guidelines of Mexico's modern history; the principles that, since the 1917 Constitution, have built a modern nation with an inescapable calling for democracy and freedom and a commitment to social justice.

The party of the revolution has transformed a nation of 15 million inhabitants, characterized by a semiagrarian and semimining type of society, into a modern society of 75 million inhabitants with absolute control over their natural resources, with an industrialization process that has created a strong nationalist workers class that has joined the peasants' untarnished nationalism to struggle on the side of the popular classes made up of new social segments that have strengthened the nation's social groups.

Modern Mexico was built by the Mexican revolution. The Mexican revolution is still the obligatory point of reference for us and for our adversaries. Mexico's actions can be traced to the principles of the Mexican revolution. Whatever turns out wrong in Mexico is because the principles of the revolution have not been followed. As men we can make mistakes, but our political principles are constant; they are the nation's aspirations, they represent the sum of man's political values in society: The freedom of the individual, opposed to the right of groups; the freedom of men, opposed to the necessary justice in society.

This combination is hard to carry out, to make effective, because it is without a doubt the most ambitious, the most complex ideological plan of the Mexican revolution, which renounces dogmatism and simplicity. That is why it is hard to carry out; that is why we should reiterate our faith every day in these principles and ideas, and the revolutionaries should continue leading the country.

Our party, which has led the country's destinies during the last half century, admits that it has made detours and errors. Because ours is a democratic party that believes in freedom, we are always ready to admit our shortcomings, our mistakes. The Mexican revolution is not a dogmatic bureaucratic doctrine that cannot make mistakes. That is why we have lasted so long as a majority force in the country, and we are not going to keep our shortcomings and mistakes to ourselves. We have encouraged a multiparty regime because we believe that political opposition will make us stronger instead of weaker. We respect the dissident minorities because we want to govern by conviction and not by dictatorship. Mexicans will never permit a dictatorship under any ideology, because faith and love of freedom are in our hearts.

Let us be aware of the great responsibility that our party has at this time when the whole world is placing in doubt the viability of many nations. We PRI members have to reaffirm and project the Mexican nation as a sovereign, viable, and independent entity.

We PRI members have to be responsive to the need to project the nation towards the future, overcoming our society's inefficiencies and defects. We PRI members have to be the model of what we want the Mexicans of today and tomorrow to be. Politics consists of examples. We have the responsibility of showing the nation what the country needs. Just as we have had strength to build, we are going to have the strength to make corrections wherever there are defects, social immorality, or abuse of power. The revolution will act increasingly to democratize our society. This democratization will have to be carried out in the political, economic, and cultural fields. The revolution will once again lead the moral renewal of society. We PRI members must set the example in the ethical and republican values that should guide the nation.

The revolution will overcome the current crisis. As has been said here, the crisis has been due to a great extent to external factors but also to mistakes that Mixicans have committed, that even we revolutionaries have committed. We revolutionaries must have sufficient frankness to diagnose our own errors and correct them with vigor and determination, without faltering, and without compromise. This economic crisis that is affecting us will undoubtedly be overcome by Mexico on the basis of responsible support from a large majority of the country's population. We are a great country, great in territory but even greater in human resources, which are the nation's fundamental resource.

We are a country with a abundant natural resources that are awaiting rational and efficient exploitation by the Mexicans. But above all, we are a country whose people, as has been emphasized here, have roots and a history. We are not a people that is now being formed; we are a people that has been shaped throughout the centuries by blood of various origins but that now undoubtedly constitutes a strong and vigorous common denominator with a sense of homeland and nationality.

The things that represent our principal assets, history, people, territory, and resources, will make the Mexicans overcome this difficulty. We will be able to overcome it with great efforts, without seeking easy paths or tasks. We are not going to offer the people what they often want to hear but know is impossible when they hear it. One must speak the truth to the Mexican people, who are mature and strong. With the truth of the revolution, the Mexican people will fulfill their task.

Long live the PRI!

FORMER VENEZUELAN PRESIDENT ON C.A. CONFLICT

FL150145 Mexico City NOTIMEX in Spanish 2345 GMT 14 Jun 83

[Text] Mexico City, 14 Jun (NOTIMEX) -- Former Venezuelan President Carlos Andres Perez today described as regrettable Honduras' attitude in permitting the establishment of a U.S. military base in its territory. However, the vice president of Socialist International [SI] also noted that it would be even more regrettable to see the Nicaraguan Government open a base in its territory for Cuba or the Soviet Union because it would lead to greater intervention by the superpowers.

Andres Perez made those remarks at the end of the first day of the closed-door SI meeting here. He said that the decision of the Honduran Government to accept the entry of U.S. military advisers aggravates tensions in the Central American region. The former president said he favored the idea that Latin Americans should settle their own problems, and expressed support for the efforts of the Contadora Group to bring peace to the area as desired by Latin American governments and by the democratic countries of the world.

SI'S PEREZ CITES STONE'S MISSION, CONTRADICTIONS

FL152145 Mexico City NOTIMEX in Spanish 2010 GMT 15 Jun 83

[Text] Mexico City, 15 Jun (NOTIMEX) -- The presidents of Socialist International [SI] this morning expressed to President Miguel de la Madrid their solidarity and satisfaction with the attitude taken by Mexico in the search for peace through the Contadora Group.

Following talks with Interior Secretary Manuel Bartlett, SI Vice President Carlos Andres Perez said Latin American democratic parties are cooperating to achieve a climate that would lead to successful negotiations and open the way for a democratic process in Central America.

Carlos Andres Perez commented on Richard Stone's tour of Central America and Mexico and on the presence of U.S. troops in Honduras. On the one hand, he said that Stone's statements on the search for peace in Central America give a ray of hope for the dialogue desired by the Contadora Group and for an agreement to achieve a lasting peace. On the other hand, he pointed out that the presence of U.S. troops in Honduras is one of the contradictions that force us to criticize U.S. policy. Because, in contrast with Stone, who apparently came in search of peace, we are faced with the presence of U.S. troops in the battle area. The presence of U.S. troops is interventionism even if it is done with the permission of the Honduran Government, he stressed.

Such a situation, he said, is serious because it takes place in Honduras, where there is a weak democratic regime that tends to become even weaker, to the point where it may collapse altogether. This is very regrettable and most troubling, Carlos Andres Perez said, as he noted that Central America is already entering into a regional war.

ISRAEL SEEK EXPANSION OF ENERGY COOPERATION

PA141934 Mexico City UNOMASUNO in Spanish 10 Jun 83 p 10

[Text] Israeli Energy Minister Yitzhaq Moda'i [title as published] arrived yesterday to meet with Francisco Labastida Ochoa, secretary of energy, mines, and parastate industry, and with PEMEX Director Mario Ramon Beteta. According to Moda'i, Israel, which is our country's sixth leading client in the purchase of crude oil, is not planning to pressure Mexico to reduce the price of its oil. Our visit, he explained, is intended to expand bilateral cooperation in all energy-related areas, not just oil.

CONTADORA GROUP MEETINGS POSTPONED ONE WEEK

PA151650 Panama City ACAN in Spanish 1500 GMT 14 Jun 83

[Text] Panama City, 14 Jun (ACAN-EFE) -- The Panamanian Foreign Ministry announced this morning that the Contadora Group deputy foreign ministers' meeting with their counterparts from the five Central American countries that was scheduled to start tomorrow has been postponed until next week. A Foreign Ministry spokesman told ACAN-EFE that the postponement was caused by a number of "previous commitments" made by the officials who were scheduled to attend the meeting.

The deputy foreign ministers will now meet on 20, 21, and 22 June, and the nine foreign ministers are scheduled to meet in late June.

During their last meeting, which took place on 28, 29, and 30 May, the Contadora Group agreed that the "technical group" -- made up of the nine deputy foreign ministers -- would meet in this city beginning on 14 June. Anticipating "the possibility of speculation," diplomatic circles close to the Contadora Group countries pointed out that this postponement has no special effect on the search for peace in the area.

The four Contadora Group members (Venezuela, Mexico, Panama, and Colombia) are scheduled to meet with the deputy foreign ministers of Costa Rica, El Salvador, Honduras, Nicaragua, and Guatemala.

ELECTORAL TRIBUNAL ANNOUNCES ELECTION DATE

PA151943 Panama City MATUTINO in Spanish 15 Jun 83 p 1A

[By Reinaldo Labastide]

[Excerpt] Cear Quintero, the chief magistrate of the Electoral Tribunal, told MATUTINO yesterday that elections for corregimiento representatives, and councilmen will be held on 24 June 1984. Quintero announced that the Electoral Code, which ended up with 510 articles instead of the 462 articles it orginally had, will be delivered to the National Legislation Council on Thursday, 16 June, at 1500.

Quintero pointed out that government officials who will be candidates and currently hold positions with authority and jurisdiction must resign their posts 9 months prior to the election date. He added that, as a permanent measure for future elections, it has been decided that elections wil take place the first Sunday in May, or if this falls on 1 May, they will be held the following Sunday.

Quintero said that the magistrates of the Electoral Tribunal had solved all the discrepancies and pending matters. In relation to the ballots, it was agreed with the political parties that individual ballots will be used. It was also decided that the elected officials will take office on 11 October 1984.

CANA-REUTER VIEWS STONE TRIP TO CENTRAL AMERICA

FL151410 Bridgetown CANA in English 1100 GMT 15 Jun 83

[News Analysis by Walker Simon]

[Text] Special U.S. Envoy Richard Stone, armed with a mandate to foster peace in Central America, has ended a maiden regional tour spotlighting his government's increasing animosity with Nicaragua. Despite his pledge to "listen and learn" from Latin American leaders in his 10-nation tour, Stone openly differed with several of them on the need for closer ties to Nicaragua and criticised the revolutionary regime in Managua.

The newly-appointed envoy plans to confer with President Reagan, Secretary of State George Shultz and congressional leaders this week to six Central American nations and Mexico, Venezuela, Colombia and Panama, before returning to the region. [as received]

But the groundwork laid on this tour did not prove auspicious for a U.S. rapprochement with Nicaragua, seen by many Western diplomats as the key to defusing the threat of international war in Central America.

Washington charges leftist Nicaragua with threatening its neighbours with its alleged "export of revolution" while Managua accuses the United States of arming and directing more than 7,000 anti-government guerrillas based along its borders, mainly with Honduras.

Relations, already at their lowest point early last week after the two countries' mutual expulsion of diplomats, appeared to strained even further when Stone last weekend in Managua -- in rare language for a diplomat -- criticised Nicaragua's domestic policies. He publically qualified a mending of bilateral ties to "an improvement of Nicaragua's relations... with (its) own opposition and their own people."

Stone's statement voiced what U.S. officials had privately indicated was an emerging U.S. policy in emphasizing increased concern for Nicaraguan domestic affairs. The fresh approach appears to add a new element in what the U.S. is demanding as the price for ending its covert aid to the guerrillas, European diplomats in Managua said:

They said Washington is demanding Nicaragua's Sandinist rulers loosen their formidable grip on Nicaraguan politics, with the long-standing U.S. call that Nicaragua end its alleged backing for leftist guerrillas in El Salvador and neighbouring nations.

The European diplomats' view backed the assertion of one U.S. official in the region, who last month told REUTERS improved Nicaragua-U.S. ties would mean Nicaragua's "introducing more democracy and human rights." Nicaragua's Sandinist rulers, who ousted rightist dictator Anastasio Somoza in a 1979 popular revolution, have pledged elections in 1985, but have refused to indicate if these will be patterned after Western democratic polls.

Washington's increasingly open pressure to shape domestic Nicaraguan policy is coupled with mounting losses inflicted on Sandinist forces by allegedly U.S.-backed rebels. Mainly launching raids from neighbouring Honduras, the guerrillas so far this year have killed over 600 Nicaraguans, more than double the number killed in guerrilla raids in 1980-1982, Nicaraguan officials said. As clashes have increased, Honduras, the strongest U.S. ally in Central America, and Nicaragua, with its warm ties with Havana and Moscow, have both warned of the spiralling danger of war.

Alarmed by this belligerent drift, Mexico's Foreign Ministry used the opportunity of Stone's visit here Monday to declare a regional blowup was "imminent" unless peace negotiations among Central American nations were soon launched.

Throughout his tour, Stone reiterated his backing for the regional peace initiative of Mexico, Venezuela, Colombia and Panama, the so-called Contadora Group.

The Group, named after the Panamanian island where they launched their peace bid in January, has woven a fragile compromise between Nicaragua, which demands direct bilateral talks with Honduras, and the other Central American nations which insist on multilateral talks. The group last April won a tenetative accord that the talks structure would depend on the subject discussed.

Stone, however, in declarations in Managua, came down squarely in favour of the long-standing U.S. position that all talks be based on a regional multilateral context and did not in any way back the bilateral approach.

Apart from the Contadora Plan, Mexico and Venezuela since last September have pushed a Nicaraguan appeal for direct talks between Washington and Managua. But Stone in his visit to Managua ruled out any immediate propsect for U.S.-Nicaragua talks.

On his return to Washington yesterday, he also shed a skeptical eye on talks with other leftists -- the Salvadoran guerrillas in El Salvador. He chided the guerrillas for publically releasing a letter to him proposing peace talks and said such an alleged breach of confidentiality "for purposes of propaganda" might well reverse the chances for "a helpful process."

Salvadoran rebels have long sought talks with the United States on grounds it is "the owner of the circus," a reference to the dominant U.S. role in serving as the main financier and armourer of El Salvador's Government.

COSTA RICA

CONTADORA GROUP PETITIONED FOR BORDER FORCE

PA150400 San Jose Radio Reloj in Spanish 1200 GMT 14 Jun 83

[Text] The Government of Costa Rica has urged the foreign ministers of the Contadora Group to promptly respond to its petition for an observation team in the Nicaraguan border region. The request, made several weeks ago, was repeated yesterday in a message sent by acting Foreign Minister Ekhart Peters to the foreign ministers of Colombia, Venezuela, Panama and Mexico. Costa Rica wants to guarantee its active neutrality in the Nicaraguan conflict through the presence of military advisers from the Contadora Group.

Acting Foreign Minister Peters believes that the Contadora Group's efforts have had positive results. Since the observers mission was sent to the border at the end of May there have been no incidents. The acting foreign minister added that the armed incursions by Sandinist patrols and the overflights of Nicaraguan airplanes have stopped. Nevertheless, the control of navigation on the San Juan River continues, he said. Peters said that the Nicaraguan Government has not issued any more protests, but this must be guaranteed through the presence of military and civilian observers.

FIVE NICARAGUAN YOUTHS DESERT PASTORA'S GROUP

PA150420 San Jose Radio Reloj in Spanish 1200 GMT 14 Jun 83

[Text] The fear of death led five youths to desert the Arde [Democratic Revolutionary Alliance]. Five Nicaraguan youths who fought in the ranks of Eden Pastora Gomez, "Commander Cero," decided to desert because they were afraid of being shot to death and because of the intense training they received. The group includes two men and three women. The oldest is only 20. The five crossed the border to Costa Rica on 7 June. The names of the deserters are Bernardo Antonio Acevedo Vado, Xiomara Garcia Solis, Guillermo Antonio Rodriguez Izaguirre, Carolina Garcia Solis, and Maria Francisca Tenorio Hernandez.

They were presented to the press yesterday afternoon in the Public Security Ministry. Questioned by reporters, the five youths admitted that they were paid for their services as guerrillas. Questioned about the way they were paid, they said that sometimes they were paid with Costa Rican colones and other times with cordobas. They said they usually received about 2,000 colones or the equivalent in Nicaraguan currency. They said that they could not stand the training. Although they agree that the Sandinist regime must be overthrown to establish a Costa Rican style democracy, they decided to seek peace and calm in Costa Rica. They said they have so far not requested political asylum because they want to obtain a work permit so they will not become a burden on the Costa Rican society, to which they want to definitely belong.

HAVANA CITES FOREIGN MINISTER ON PASTORA

FL151241 Havana Domestic Service in Spanish 1100 GMT 15 Jun 83

[Text] San Jose -- Acting Foreign Minister Edgar (Peters) has stated that Nicaraguan counterrevolutionary leader Eden Pastora will be arrested if he is found in Costa Rican territory. It was noted, however, that it is known where Pastora has been residing in Costa Rica.

EL SALVADOR

FMLN OCCUPIES TOWN; FIERCE FIGHTING REPORTED

PA151837 Paris AFP in Spanish 1820 GMT 15 Jun 83

[Text] San Salvador, 15 Jun (AFP) -- Violent fighting raged Wednesday in the township of San Jose Guayabal, in Cuscatlan Department, some 40 km north of San Salvador, after its occupation by the FMLN. The guerrilla attack on San Jose Guayabal began at dawn today, and at midday government troops were fighting fiercely to evict the rebels.

Military spokesman confirmed the attack, indicating that the rebels used mortars and machineguns. However, the military spokesman did not state whether the township had been occupied by the guerrillas. Large troop contingents from the Cojutepeque Detachment were seen moving toward the scene of the fighting.

NEWSPAPERS REPORT ON CLASHES WITH GUERRILLAS

EL MUNDO Reportage

PA151953 San Salvador EL MUNDO in Spanish 13 Jun 83 p 1

[Excerpts] The Rio Lempa Executive Commission, CEL, power plant in Llano Grande Canton, on km 77 of the Tecoluca-Zacatecoluca road, was attacked this morning by approximately 100 guerrillas, while Armed Forces units continue with the San Vicente Department operation that began 4 days ago.

The extremists initiated the attack by firing bazookas, Chinese rockets and rifles. The extremists got near the wire fence around the installation but were unable to occupy it because of the strong resistance put up by the guards and CEL security agents. In fleeing, the attackers left behind a Chinese rocket and propaganda.

In the north, in the San Esteban Catarina area, there have been clashes in San Pedro Hill, Amatitan Arriba, Amatitan Abajo, Luz Ayalita, El Chilillo, La Haciendita, and other villages and cantons. In the east, in the Santa Clara area, operations are taking place in Las Ardillas, San Jacinto, La Burrera, etc. And in the San Vicente City area, clashes were taking place east of this city, in La Laguna valley, Marquesado, Marquesadito and other cantons. It has been reported that all these places were bombed from Friday until yesterday by Fouga planes and attacked with mortar fire by artillery units.

LA PRENSA GRAFICA Report

PA151928 San Salvador LA PRENSA GRAFICA in Spanish 14 Jun 83 pp 2, 21

[Excerpts] Military troops continue their advance on terrorist positions on Chichontepec Volcano, but are finding no resistance because the subversive groups began abandoning the area the day before the "Welfare for San Vicente" Operation was initiated, according to a report issued yesterday by military sources. These sources indicated that military patrols are carefully inspecting caves, hideouts and excavations where the extremists traditionally hide their arms, ammunition, tools, uniforms, and other materiel whenever they have to abandon their positions.

It was also reported yesterday that the terrorist groups continue abandoning the Chichontepec Volcano, and that some of them are heading for Guazapa Hill, others for the coast, and the rest for Chalatenango, Cabanas and other regions. The search going on at the volcano as well as in other San Vicente Department regions will continue.

Yesterday, extremists carried out a new attack on the Quebrada Seca Bridge installations. As a result of this, travelers going to or coming from the country's east have been affected, military authorities have reported. This new attack took place at 0430. The terrorists fired bazookas from positions near the bridge, which had been repaired recently. According to the authorities, the extremists did not achieve their objective, which was to destroy it completely. They caused damage that can be repaired, and the bridge can be put in good working condition in a short time.

This bridge was attacked with dynamite a month ago. According to U.S. advisers who presented pictures, the extremists coldbloodly murdered more than 30 soldiers who surrendered when they ran out of ammunition.

According to the military authorities, the extremists are desperately fleeing to other parts of the country, and as they flee they carry out criminal actions such as the attack on the Quebrada Seca Bridge.

The Armed Forces Press Committee, Coprefa, yesterday denied an international news report, based on information provided by an illegal radio station, about the FMLN inflicting 80 casualties on the Atlacatl Battalion. COPREFA not only denied the report, but issued its own communique stating that the Atlacatl Battalion dismantled a guerrilla training camp in the La Ceiba area.

Meanwhile, in Ochupse Arriba, Santa Ana Department, troops of the 2nd Infantry Brigade dismanteld an extremist camp. The army seized arms, ammunition, subversive propaganda and other war materiel.

Terrorists who have taken advantage of the amnesty law have stated that several of their leaders are beginning to desert, taking the funds in their care with them. One of the fugitives is Commander Jacinto Sanchez, who operated with the Luis Adalberto Diaz group on the Paracentral Front. The fugitive already lives abroad. Cases such as this are a daily occurrence.

EDITORIAL CITES GROWING U.S. ROLE IN COUNTRY

PA152022 San Salvador EL SALVADOR PROCESO in Spanish 30 May-5 Jun 83 pp 1, 2

[Editorial: "Obstacles to Peace"]

[Excerpts] Following Enders' fall and the removal of Ambassador Hinton, who apparently accomodated himself even more easily to Washington's rigid mandates, the tour of the area by U.S. Ambassador at large Richard Stone -- who was preceded by his own cold war statements, with which he closed beforehand many doors to a peaceful political solution -- and the announcement that 25 military doctors would be sent to El Salvador -- which introduces U.S. leadership in other war areas without changing the "adviser limit" -- are the latest indications of the hardening of U.S. policy on Central America and El Salvador.

While the arrival of the medical advisers is for the purpose of improving the combat ratio of two wounded soldiers for each dead soldier, the new discredit campaign launched against the FMLN by U.S. spokesmen who accuse the rebels of changing their tactics and of executing soldiers who surrender apparently is aimed at checking the high surrender rate that has been noticed lately.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

Mocks Atlacatl Operation

PA150425 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Jun 83

[Text] Your attention please. Yesterday, 13 June, troops of the Atlacatl Battalion which were engaged in an operation in this Department of Morazan swore in a new company of soldiers on the Agua Blanca Plains. In the midst of an impressive but ineffectual artillery and air barrage, the Atlacatl Battalion reached these positions in Morazan Department at a high cost in casualties. We took three soldiers prisoner, the first so far in this battle.

Under these circumstances, the Atlacatl Battalion carried out a shortlived action through which it sought to gain a victory by entering areas under FMLN control in this department.

As we have said many times, we are not obliged to defend territory. It is the Army which is losing territory, the way it loses men and weapons in various parts of the country.

In that same spot during March, some of the battalions of our Commander Rafael Arze Zablah Brigade were sworn in during a ceremony that lasted several hours and did not require a display of security, aviation and artillery. What is most important, we did not feel the tension, nervousness and urge to leave the area that the high command felt after such a ridiculous victory.

War, gentlemen of the high command and Colonel Domingo Monterrosa, is won by whoever annihilates and destroys his enemy's forces and who, in doing so, breaks his morales and capacity to resist. We are winning the war. You are the ones who are losing weapons and contributing prisoners, the dead and hundreds of wounded. You are the ones who are abandoning ground, not us. You are the ones who, holding power, have to fight several days, lose men and weapons, and make an impressive display of logistics, just to stay a few hours at a given place in this country.

This act cost the Atlacatl Battalion dozens of dead and wounded and, what is most important, the first three prisoners taken from the supposedly most seasoned elite battalion. If the high command and Col Domingo Monterrosa regard this as a victory it is because they have nothing left but to resign themselves to carrying out a poor publicity stunt, because they cannot achieve a military victory.

The high command and Col Domingo Monterrosa will try to advertise this action as a victory. If anybody in the high command still wants to delude himself with such things, let us remind him that it took them longer to organize and carry out this preposterous plan than it took us to achieve a new, true and smashing victory. The fact speak for themselves.

We regret the loss of life of young soldiers, children of the people who are sacrificed to defend interests which are not theirs and which are historically doomed to defeat.

Finally, we are happy that three soldiers of the Atlacatl Battalion have taken advantage of our call not to fight. The prisoners are being treated with all due respect, as we have done with the hundreds of soldiers and officers we have captured in various battles. Revolution or death, we will win!

Ambassador Stone Assailed

PA150440 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Jun 83

[Station commentary]

[Text] [Words indistinct] Richard Stone, U.S. ambassador at large for Central America, was former ambassador to Guatemala, where he took part in outlining the genocidal policy of the Guatemalan regime. He was a close collaborator of Henry Kissinger, the man who conducted U.S. interventionist policy against Vietnam's liberation war. Richard Stone, former senator of Florida State, fully supported the Cuban counterrevolutionaries in that State.

Richard Stone, termed by many an extreme rightist, came to Central America and visited each of the countries [words indistinct] He did not come to talk about peace. Richard Stone came to fulfill conditions imposed by the U.S. Congress on Reagan's interventionist plan in Central America.

In other words, Richard Stone came to comply with a political formality to establish favorable conditions for the warmongering plan of the imperialist hawks. How else can we explain the fact that Richard Stone gave his approval to the genocidal Guatemalan regime of Rios Montt, for what he terms progress in human rights?

In his imperialist mission, the U.S. superambassador sees the unrest and armed struggle being waged by the Central American peoples, not as the result of social injustice and repression, but as the result of foreign interests. For Richard Stone, the peace efforts are not U.S. [words indistinct] The true objectives of the imperialists plan were obvious. At the time that Richard Stone was going from one place to another shamelessly talking about peace, General Gustavo Alvarez, Honduran Armed Forces commander in chief, the strongman of Honduras, went to the United States and asked the U.S. joint staff and defense secretary to consider the possibility of sending U.S. troops to Honduras and also more advisers, more arms and more C-130 planes.

It is no secret that Honduras is the beachhead of the imperialist military interventionist plan in Central America. Despite Honduras' difficult economic situation and the critical situation of the Honduran people, Gustavo Alvarez had the courage to ask for a $400 million loan for arms, and he even asked for the sophisticated F-5 fighter planes for the Honduran Army.

Obviously, this language of war and not of peace is the language that the U.S. Government speaks and practices. It is the same language that superambassador Richard Stone speaks and understands.

With their military power and aggressive policy, the imperialists are trying to push back the liberation movements in Central America. With his hypocritical conciliatory words, the U.S. ambassador is trying to deceive international public opinion. In the face of this, our people remain firm in their desire to continue struggling until they attain their final liberation.

RADIO FARABUNDO MARTI REPORTS FMLN ACTIONS

Army Attacks Denounced

PA152210 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 15 Jun 83

[Communique issued by the local People Government Boards of the cantons located on Chichontepec Volcano; on 13 June -- read by announcer]

[Text] The local people's governments, genuine representatives of all the residents of Chichontepec Volcano in San Vicente Department, denounce and strongly condemn before our people and other peoples of the world the criminal offensive directed by U.S. advisers with the participation of over 5,000 soldiers of the genocidal army. This invasion has been launched against us in an effort to kill hundreds of women, elderly people, children and honest workers, for the mere reason that they are fighting for an honorable and just future for our children.

Under the pretext of an alleged restoration of areas directed by imperialism, Magana's puppet regime has attacked us using modern weapons of all kinds, including artillery, airplanes, and 500-lb bombs, forcing us to seek refuge in the countryside in order to escape their genocidal efforts.

After failing in this efforts to wipe out the population, the dictatorship's henchmen have dedicated themselves to the criminal task of destroying our homes and crops.

This shows that Magana's fascist regime is also a genocidal regime that wants the peace of cemeteries. It is an unpopular regime that offers no real solutions to the needs and problems of the people.

We demand an end to the repression launched against the people. We demand that the genocidal army evacuate our Chichontepec Volcano. Stop the Yankee advisers' interference in our homeland.

For a democratic and revolutionary government, Signed: The local People's Government Boards in the cantons El Mongo, Coyolito, (Carrios), (Calero), (Anona), (Cayetana), (Jerez), (Cumbia), (Pasofijo), (Laureles), and Virginia, all located on Chichontepec Volcano.

Ungo on Stone Appointment

PA152212 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 15 Jun 83

[Text] Ronald Reagan would consider a dialogue between Richard Stone and FMLN-FDR representatives. U.S. officials have stated this, referring to a meeting held by Reagan with members of a Congressional committee on 13 June.

According to observers, Democrat Clarence Long talked about Congressional pressure in this regard. Long not only said that he agrees with such a meeting but that he would personally make the necessary arrangements for it. Stone expressed a similar view during a recent visit to Mexico, where he said that U.S. leaders insist on finding a quick and peaceful solution to Central American conflicts.

Meanwhile, FDR President Guillermo Ungo described Stone's appointment as Reagan's special envoy for Central America as a positive step that must be proven with actions. However, Ungo insisted that present U.S. actions are aimed at increasing U.S. aggression in Central America.

3-Week Campaign Summed Up

PA152239 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 15 Jun 83

[Text] Our "In the Face of Reagan's Aggression, El Salvador Will Win" campaign is advancing. The entire year has been one of continuous military and political offensive by our people up in arms. This year has been one of fighting and victories. Yankee strategists are worried about this. All their tactics of genocide and war have been defeated by the FMLN throughout El Salvador. Large operations against our fronts have been complete failures. Attempts to carry out incursions with small units have cost Vides Casanova the decimation of his patrols.

In 3 weeks of fighting, our people recovered (?205) rifles, 3 machineguns, 6 M-79 grenade launchers, 3 60-mm mortars, 1 submachinegun, and 4 radios for military communications.

We destroyed two strategic communications stations, blew up six bridges and seriously damaged two U.S.-made "Huey" helicopters in combat. We inflicted more than 657 casualties on the enemy and captured over 128 prisoners of war. These are the impressive results of the progress of our "In the Face of Reagan's Aggression, El Salvador Will Win" campaign. Onward courageous guerrillas. Our slogan is: Defeat, annihilate and confiscate! United to fight to final victory! Revolution or death, we will win!

Defeat of Army Garrison

PA160222 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 16 Jun 83

[Text] In San Jose Guayabal, Cuscatlan Department, we have snatched 22 rifles from the troops of the puppet dictatorship. Our campaign "In Face of Reagan's Aggression, El Salvador Will Win" is advancing victoriously.

Our revolutionary operation, which culminated this morning, began at night yesterday, 14 June, with an assault on and overpowering of the enemy garrison in San Jose Guayabal, only 5 km from San Salvador. At 0300 today, 15 June, fighting began in San Jose Guayabal against troops of the 5th Infantry Regiment headquartered in Cojutepeque. During the initial hours of fighting, the enemy forces were forced to concentrate at the three barracks they had in that town. During those same hours, the first fortification lines were bravely stormed by our companeros.

We have seized two of the barracks and the initial rifles by 0500. At that moment, a soldier of the 5th Regiment took advantage of our forces' appeal to soldiers to surrender while in combat and to turn in their rifles.

One hour later, at 0600, the last barracks was taken. A sergeant and a subsergeant surrendered to our victorious forces, who profoundly respect the revolutionary principle of sparing the life of soldiers, noncoms and officers who surrender during combat.

At 0800 today, Commander Misael Gallardo sent us a preliminary report from the combat area with details of military equipment that was seized, as follows: 9 G-3 rifles, 5 M-16 rifles, 8 Czechoslovak rifles, a large quantity of ammunition, and war supplies. Five prisoners were taken. These include a sergeant and a subsergeant. These prisoners of war will be released in due time. We will keep our people advised about this.

Magana U.S. Trip Decried

PA160303 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 16 Jun 83

[Text] Tomorrow, Thursday, Alvaro Magana will leave for the United States to report to his master, Ronald Reagan, and, of course, to receive new orders. Magana will arrive at the White House emptyhanded and with his pants pockets inside out. The moneylender has been incapable of politically and militarily directing a war against our people, who for many years [words indistinct] against oppressive regimes. Under Magana's regime, the puppet Army has been unable to defeat our guerrilla forces. The State Department's plans, which they tried to carry out under the Apaneca Pact, have failed under Magana's government. The amnesty has failed and the electoral farce will fail under Magana's government.

Among other things, this trip evidences the following: Neither Hinton, the repudiated advisers, nor the new proconsul, Richard Stone, have been capable of stopping the inevitable victory of our fighting people.

Reagan's meddling in the direct handling of our fatherland's internal affairs is evident. The impudence of these public figures in directing a war against Salvadorans is and will be repudiated by all patriotic social sectors in El Salvador.

The mockery of the spirit of sovereignty, independence, and dignity of our republic, El Salvador, that has been allowed by puppets like Magana can only be described as treason to the Salvadoran people.

The one who is trying to mount an electoral farce to allow the entry of thousands of Yankee Marines is a turncoat. [Word indistinct] an insolent fellow who is headed toward the scorn of an entire people who, sooner or later, will seize power. The dictatorship shall fall. The armed people shall win.

HAVANA REPORTS 'WAVE OF KIDNAPPINGS' IN WEST

FL151957 Havana Domestic Television Service in Spanish 1700 GMT 15 Jun 83

[Text] At least six persons have disappeared in El Salvador in recent hours amid a wave of kidnappings unleashed in (Ahuachan), in the western part of the country.

A doctor and a nurse were kidnapped yesterday as they were leaving a hospital in (Ahuachan). The doctor, (Marco Antonio Vazquez), is a former regional leader of the National Revolutionary Movement. The nurse was identified as (Esperanza Arevalo), also a native of (Ahuachan).

GUATEMALA

RIOS MONTT VISITS BASES AMID COUP RUMORS

PA160215 Paris AFP in Spanish 2337 GMT 15 Jun 83

[Text] Guatemala City, 15 Jun (AFP) -- Guatemalan authorities arrested Mario Castejon, secretary general of the centrist National Renovating Party (PNR), today, charging him with slandering and insulting President General Efrain Rios Montt.

Meanwhile, rumors of a possible coup d'etat continued to spread in the country. It was learned today that Rios Montt made quick visits to certain military bases in the capital, possibly to discuss this matter.

According to the local press, President Rios Montt was heavily guarded as he visited Air Force installations and "at least" three other bases.

Authorities have also issued arrest warrants for two more opposition leaders, Asiscio Valladares of the recently formed Populist Party, and Antonio Antoniotti, spokesman of the rightist National Liberation Movement (MLN).

Castejon, whom relatives reported missing yesterday, stated that some unidentified individuals "kidnapped him for several hours." However, he said he didn't know the reason for his "kidnapping" because he was not interrogated or hurt. Castejon told the press that his capture and arraignment is a way to "silence those who fight for a true democracy."

The arrest of the PNR leader and other arrests which may occur in the next few hours have been described here as political "persecution" and have prompted the people's rejection.

The president and his press secretary, Gonzalo Asturias, have stressed that "all individuals who show disrespect for the president, as is the case of the three political opponents charged with slandering and insulting Rios Montt," will be held for trial. Guatemalan law establishes that any public official can be criticized, with immunity from the crimes of slander or injury.

This discontent in the face of what has been described as a "truly dictatorial" attitude comes on top of the tension in the country over the past few weeks resulting from a government attempt to implement a tax reform. The plan to implement this new tax package has earned the government harsh criticism and its officials, including President Rios Montt, have become the targets of political leaders and the press.

PRESIDENT CITES RIGHT TO SUE IF SLANDERED

PA160417 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 15 Jun 83

[Text] In a brief statement to the press, General Efrain Rios Montt said at noon today that any citizen, including the president of the republic, has the right to resort to the courts when he feels he has been slandered. Regarding the possibility that other politicians will be tried for these same crimes, Rios Montt said: Other people who commit that type of crime may be sent to court too.

MLN RECALLS PAST RIOS MONTT COUP INVOLVEMENT

PA151717 Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 14 Jun 83

[Text] The National Liberation Movement, MLN, a political party that opposed General Rios Montt's presidential candidacy in 1964 but received his support in last year's elections, today publicly referred to a past incident in Rios Montt's career. The party recalled the time when he, as an Army lieutenant, participated in an unsuccessful coup attempt against the Liberationist government of Colonel Carlos Castillo Armas. The information was published by newspapers at the time.

The MLN called a press conference this afternoon to present this information. Party spokesman (Adalberto Antonietti) read the information: [Begin (Antonietti) recording] General Rios Montt accuses political parties -- he calls them political schemers -- of organizing coups and countercoups. Gen Rios Montt seems to forget he is the product of a political coup in which we participated.

General Rios Montt also forgets we have evidence that he was arrested for organizing and participating in a coup attempt on 20 January 1955, when he was an Army lieutenant working in the finance department. The coup was termed communist. Here is a press clipping where you can see the now General Rios Montt on the occasion when his colleagues were condemned to death, to be shot. A pardon was granted due to a request presented by Richard M. Nixon, who was Vice President of the United States at that time.

I believe you should not spit into the wind. This is legitimate evidence that General Rios Montt has participated in military coups, even though on 20 January 1955 the so-called military coup failed. Now he uses terms such as communists, anticommunists, fascists -- facist is a term that few people can explain -- to refer to policitians. [end recording]

WARRANTS ISSUED ON TWO POLITICAL LEADERS

PA160002 Guatemala City EL GRAFICO in Spanish 14 Jun 83 p 3

[Text] Guatemala City, 13 Jun -- The Guatemalan Government has decided to issue an arrest warrant against Mario Castejon [of the National Renovating Party] for slander, and against Acisclo Valladres Molina [of the Populist Party (Partido Populista)] -- for libel, since both reportedly offended President Rios Montt's dignity.

The information was given today by journalist Gonzalo Asturias, public relations secretary for the presidency.

Necessary steps have been taken by the attorney general's office against Mario Castejon, at the 1st Court, and against Acisclo Valladares at the 4th Court. Asturias said that Castejon slandered President Rios Montt when charging him with embezzlement and offended his dignity and honor, as stated by Articles 164, 169, and 418 of the penal code.

Asturias said that, in addition to other attacks, Castejon publicly accused President Rios Montt of availing himself of his position to spend state funds in the expansion of a religious sect. This is false, Asturias said, because President Rios Montt has never committed this crime. He also stated that the 1st Court has already issued an arrest warrant against Castejon.

In the case of Acisclo Valladares, he was accused of libel against President Rios Montt over television. The government spokesman mentioned a video-cassette containing the text of the broadcast, although he did not show its contents.

He said in conclusion that "with the same vigor and enthusiasm with which the government has promoted political freedom and freedom of thought, it will act against those who violate the law giving them these freedoms; mainly when they hurt, as is this case, the dignity and honor of the Guatemalan president."

Asturias said: "We will not allow anarchy." He added that the government has not intimidated, coerced or exerted pressure on the news media's or political parties' rights. However, he concluded, this does not imply that the government will not be firm in enforcing the law, because otherwise it would be allowing room for anarchy. The official said the attorney general's office has already done its part and the case is now in the hands of the courts.

NICARAGUA

FOREIGN MINISTRY COMMUNIQUE ON STONE VISIT

PA151427 Managua Radio Sandino Network in Spanish 1200 GMT 15 Jun 83

[Communique issued by the Nicaraguan Foreign Ministry on 14 June in Managua -- read by announcer]

[Text] With regard to the visit of roving U.S. Ambassador Mr Richard Stone, the Nicaraguan Foreign Ministry announces the following:

1. On 1 June 1983, the Nicaraguan Junta of the Government of National Reconstruction extended an invitation to Mr Richard Stone, as proof of Nicaragua's interest in dialogue at the international level.

2. The Nicaraguan Government has heard with interest the positions outlined by Ambassador Stone with regard to the situation in Central America, the efforts undertaken by the Contadora Group governments and the critical relations between the United States and Nicaragua.

3. In the face of our interest in a direct discussion of the relations between Nicaragua and the United States in order to prevent their further deterioration, Mr Stone answered that this was not necessary because the United States does not feel threatened by Nicaragua.

Our government is concerned over the fact that Ambassador Stone has denied the need for this discussion of bilateral issues between the United States and Nicaragua because Nicaragua does feel threatened by the United States since, as is already known, the aggression that Nicaragua is currently suffering is an effect of the current U.S. Government's policy. This aggressive policy is a fundamental aspect of the Central American crisis.

4. Ambassador Stone talked about the Reagan administration's support for the efforts undertaken by the Contadora Group governments. However, through the statements of its spokesmen and through its actions, the U.S. Government negates the effort undertaken by the Contadora countries, fanning the warlike conflict instead:

a) By keeping Honduras from accepting a bilateral dialogue with Nicaragua within the Contadora framework, like the foreign ministers in the group have suggested;

b) By promoting, through the CIA, armed attacks against the Nicaraguan people and criminal actions against the leaders of the revolution;

c) By stepping up its intervention in the Central American region, occupying Honduran territory and disembarking offensive military units there for the sole purpose of reinforcing the aggressions against the peoples of El Salvador and Nicaragua, thus mocking the limitations that the U.S. Congress itself has imposed on the Reagan administration and its interventionist policy in Central America; and

d) By once again refusing to discuss bilateral relations directly with Nicaragua.

5. The Nicaraguan Government, therefore, has found no reason to believe in the efficacy of Mr Stone's trip, which supposedly was made to find a solution to the regional crisis through dialogue. On the contrary, the trip seemed more in line with the propaganda campaign intended to strengthen the line that advocates aggression and war in Central America by seeking to neutralize the entire Contadora effort in terms of the realistic purpose of promoting bilateral or multilateral dialogues -- depending on the nature of the topics -- intended to achieve peace in Central America.

6. The Nicaraguan Government reiterates its full willingness to engage in sincere and constructive discussions on the basis of all those points that might worry both the U.S. Government and our government. In that spirit, it has expressed to Mr Stone its willingness to receive him during his next visit to the region. Managua, 14 June 1983 [Signed] Government of National Reconstruction

GOVERNMENT POSTPONES PAYMENT OF FOREIGN DEBT

PA152330 Buenos Aires LATIN in Spanish 2239 GMT 15 Jun 83

[By Walker Simon]

[Text] Mexico City, 15 Jun (LATIN-REUTER) -- Nicaragua today indefinitely postponed the payment of the $900 million debt it has with foreign private banks, stating that it is waiting for its creditors to set a new payment plan. Central Bank President Luis Enrique Figueroa told REUTER that his government did not remit approximately $45 million that it should have sent today in accordance with a 1980 agreement signed with foreign creditors and banks.

The suspension means that Nicaragua has not made any payment on the interest or capital of its debt so far this year. It is not yet clear whether this means that Nicaragua has stopped making payments.

Last month, Nicaragua warned the banks that it would not be in a condition to meet today's payment due to its acute shortage of foreign exchange, and asked for authorization to postpone it. Despite the advanced notice, the creditor banks have yet to formally accept Nicaragua's request to delay the payments. Figueroa said in a telephone interview from Mexico. He described the current situation as a "waiting period" between his government and the foreign creditors.

"We are in a period of negotiation and what we have today is a suspension of attitudes (of the bankers) which can be increasingly harmful to our country," he said.

Figueroa said that on 6 June he last met with the committee of banks -- led by the Bank of America, Citibank, and Wells Fargo -- to discuss the situation. That meeting ended a number of meetings that began on 9 May, in which Nicaragua requested the postponement of all payment obligations due before 15 December 1984.

The request would mean that Nicaragua would defer more than $140 million in payments due today, 15 December, and 15 June 1984, he said.

Figueroa said that he does not know when he will meet again with the committee to discuss Nicaragua's financial situation, adding that it was up to the committee to call a meeting. Originally, he added, Nicaragua had planned to comply with its programmed payments of more than $400 million, but unforeseen circumstances used up the funds that could have been used to pay the debt.

In a previous interview, Figueroa had said that last year's devastating floods, followed by an intense drought, cost Nicaragua more than $570 million in losses of agricultural production, part of which was to be used for export.

The mobilization at the northern front to defend the country against the guerrillas absorbed another $60 million, the official added. He stressed that these are very large amounts of money for a country which only exported $406 million last year.

The official added that at the meetings with the creditors, some Nicaraguan officials had suggested that a formula be found that would follow the model of the 1980 reconstruction agreement. This model stipulates that Nicaragua will pay the total amount of its debt with its 117 private banks by 1992.

Another option is to reprogram the more than $140 million that will be due before 15 December 1984, and make the payments between 1985 and 1992. Still another option is for the banks to grant new loans with which Nicaragua would cancel the debt.

Nicaragua, governed by a revolutionary regime that came to power in 1979, has a foreign debt of $2.8 billion.

Figueroa said that Nicaragua is up-to-date with interest and amortization payments on the $1.9 billion it owes the foreign banks and multilateral financial institutions, among them the World Bank.

INTERIOR MINISTRY ON POLICY FOR U.S. VISITORS

PA141928 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 Jun 83

[Communique issued by the Public and Foreign Relations Office of the Nicaraguan Interior Ministry in Managua on 13 June 1983 -- read by announcer]

[Text] As the U.S. Government's decision to close the six Nicaraguan consulates in that country implies, among other things, a virtual prohibition on travel to Nicaragua by citizens of that sister nation, the Interior Ministry, through its Immigration and Alien Office, has established the following immigration policy, so that U.S. citizens may visit Nicaragua:

1. Any U.S. citizen wanting to viist Nicaragua can enter the nation's territory simply by presnting the immigration card for entry into Nicaragua.

2. The immigration card for entry into Nicaragua represents, for U.S. citizens, the equivalent of a consular visa.

3. This card will be issued to U.S. travelers by commercial carriers. It will also be available at immigration posts throughout the country [not further identified].

4. The authorization to enter Nicaragua allows the bearer to remain in the country for up to 30 days. This period can be extended on request by any interested party.

5. This does not apply to people who are traveling as official representatives of the U.S. Government. These people will receive the appropriate entry visa from the Nicaraguan Embassy in Washington.

Borge on Consulate Closings

PA151917 Managua Radio Sandino Network in Spanish 1200 GMT 15 Jun 83

[Text] The Nicaraguan Government will receive $1.2 million less per year due to the closing of six of its consulates in the United States. However, Reagan's aggressions against our coutry are yet another victory for our people.

Commander of the Revolution Tomas Borge referred to the closing of these consulates while addressing the National Directorate's message and greeting to the residents of 14 June neighborhood, formerly known as La Luz, who yesterday commemorated the fourth anniversary of the armed uprising against the dictatorship in the sector. Here is Commander of the Revolution Borge, minister of the interior:

[Begin Borge recording] As you already know, as a reprisal for having expelled three CIA agents from Nicaragua, the U.S. Government recently closed six Nicaraguan consulates in that country, for getting the interests of the U.S. people themselves, because as a result of that measure it will be extremely difficult for Americans to visit Nicaragua. Talking to some U.S. companeros just now, we told them that this is no victory for the Yankee government. It is a defeat for that government because we have said that we are as generous in victory as we are implacable in the fight, and since this is a defeat for the U.S. Government and, therefore, a victory for the Nicaraguan people, we are generous enough to give a noble response to the ignoble stand adopted by the U.S. President. This is why Nicaragua's doors remain completely upon to the U.S. people.

If in the past, Americans had to obtain visas in a Nicaraguan consulate in the United States, now they will not have to obtain visas and they will be able to come to Nicaragua as often as they want to, whenever they want to, and any time they want to. [applause] [end recording]

BAYARDO ARCE ON EFFECTS OF CLOSED CONSULATES

PA151601 Managua Radio Sandino in Spanish 1830 GMT 14 Jun 83

[Text] Commander of the Revolution Bayardo Arce Castano, political coordinator of the FSLN, last night said it is expected that we will have even greater trade expenses and delays in the import of raw materials and spare parts for machinery due to the closure of the Nicaraguan consulates in the United States. However, this and other problems will not bring our Sandinist people to their knees before the Yankee aggressors.

Arce was addressing more than 1,300 militia members from Masaya, Granada, Carazo, and Rivas who participate in the fourth region's general assembly.

The war that the United States and Honduras have created against us, Commander Bayardo Arce said, involves military actions where heroic combatants generously offer their lives for the defense of our homeland and our revolution, and it also implies setting aside resources and part of our production for the combat front -- medicines, food, clothes, boots, and infrastructure that must be made available for our combatants. It is necessary that our people understand this reality and prepare to face an even greater shortage of certain products, with the certainty that no one will be brought to his knees here by imperialism. No matter what becomes scarce -- soap, toilet paper, oil, etc. -- we will carry on with our heads held high, Commander Bayardo Arce added.

FRANCE TO DELIVER TWO PATROL BOATS SOON

PA150230 Madrid EFE in Spanish 2121 GMT 14 Jun 83

[Text] Paris, 14 Jun (EFE) -- France is proceeding with its sales of arms to Nicaragua, with the sending of two patrol boats which will sail soon from the port of Marseilles (southern France).

Reliable sources have confirmed to EFE that the French Government has authorized the departure of two French-made patrol boats, under a contract signed between the two countries in December 1981.

In 1981, the French and Nicaraguan Governments signed a contract for about $150,000 [figure as received], which included the supplying of French armament to Nicaragua, especially two "Alouette" helicopters, the two patrol boats and several military trucks.

The U.S. State Department protested strongly when the French-Nicaraguan weapons deal was signed. French Defense Minister Charles Hernu immediately replied that no one could accuse Nicaragua of buying arms from France and at the same time be alarmed if Nicaragua were to request war materiel from the Eastern countries.

However, it seems the U.S. pressure has caused deliveries to be made on an "installment" basis, because the agreement was signed in December 1981 and all the material has not yet reached Managua. French aid to Nicaragua also includes training: At least one group of Nicaraguan sailors is being trained by the French at the port of Mandelieu, near Marseilles.

When asked by EFE, the French Defense Ministry refrained from making "any comment" on the reported delivery of arms to Nicaragua, although the French Government has repeatedly said that "unimportant" supplies are involved.

Meanwhile, the Nicaraguan Embassy in Paris gave no further details on the matter, although it confirmed the departure of the two patrol boats "one of these days."

When Nicaraguan Chief of State Daniel Ortega made an official visit to Paris in July 1982, he said that "The Nicaraguan Government does not give any information on military cooperation, because every country is entitled to defend itself, and a revolution such as ours must do this with its bare hands."

ARDE REPORTS ON RECENT CLASHES, ACTIONS

PA151701 Tegucigalpa Voz de Honduras Network in Spanish 2113 GMT 14 Jun 83

[Communique No 22 issued by the General Command of the Democratic Revolutionary Alliance Armed Forces on 13 June; no place given]

[Text] The General Command of the Arde [Democratic Revolutionary Alliance] Armed Forces notifies the Nicaraguan people and the free peoples of the world:

1. The Atlantic Front command, under the orders of Brooklyn Rivera, has announced that on 11 June 1983, between 1200 and 1250, the Devils Squad of the (Juan Pablo Mansor) Column clashed with regular Interior Ministry troops. The action lasted 10 minutes and took place at the place known as Cano Espanol. Our heroic Sandinist squads had no casualties. The invading enemy sustained six casualties. Neither weapons nor ammunition were recovered, because these fell into the water.

2. On 10 and 11 June, our squads, defenders of the national sovereignty, deployed along the San Juan River, harassed the enemy at three military points known as Santa Fe, Machuca and Bartola, where we caused serious damage to the military facilities of the interventionist army of the Nine. The heroic Arde squads took positions deep in enemy territory so as to launch violent attacks on other key points of the national territory, where the dictatorial forces repress our people.

13 June 1983. Without totalitarianism or a return to the past, [Signed] General Command of the Arde Armed Forces

EDEN PASTORA GOMEZ HOLDS NEWS CONFERENCE

PA150255 Tegucigalpa Voz de Honduras Network in Spanish 2214 GMT 14 Jun 83

[News Conference granted by Eden Pastora Gomez, commander in chief of the Democratic Revolutionary Alliance, to foreign newsmen "somewhere in the Nicaraguan mountains;" date not given; questioners not identified -- recorded]

[Excerpts] [Question] Is Eden Pastora's struggle still completely independent from that of the Nicaraguan Democratic Forces [FDN] in northern Nicaragua? Are there any attempts or level of talks toward a complete alliance with these forces? What is the status of this, commander?

[Pastora] I can assure you and can swear on the memory of our martyrs that we have no ties with the FDN. I can swear to God and on my honor that this is true. We are dealing with two struggles which are completely independent, separate and different. They are not equal at all.

[Question] Under what circumstances would there be an alliance with those up north?

[Pastora] I don't think there can be any conditions or circumstances unless they are also seeking the democratic recovery of the Sandinist revolution. If they also intend to rescue the original Sandinist revolution, we could talk. However, I don't think that they, who are anti-Sandinists and counterrevolutionaries, would meet these conditions, which would be most positive for our Nicaraguan people.

[Question] Then how do you describe the FDN objectives at the present time?

[Pastora] They are the objectives of a general staff of former Somozist Guardsmen. For example, their staff includes Captain Lagos, the feared member of the National Security Office, lieutenant colonels and captains of the Somozist Guard. In other words, I don't think that they, who hate Sandinism because of our dignified and democratic positions, want a revolution full of love. They have lists of the people they kill. They have not presented a single prisoner. We turned prisoners over to the Red Cross. This means that we are fighting without hatred, rancor, or any desire for revenge.

[Question] What do you think is the people's view of the two sides in the conflict against the National Directorate?

[Pastora] We definitely have the people's support.

[Question] I was asking you about the people's stand regarding these two large factions which oppose the National Directorate.

[Pastora] Well, we have the people's support. Proof of this is that in merely -- how long have we been fighting? -- 15 days of struggle we have been making progress as we are fighting everywhere: Punta Gorda, Rio Maiz, Atlanta, Rivas, San Jorge, San Miguelito, (Murrios), (La Azucena), Nueva Guinea, the Carlos Fonseca Amador Farming Colony, the Verdum Farming Colony, Sabalos, Sabalos Arriba, and the mouth of the Sabalos river. This is a lot for 15 days of war. The position of the National Directorate is so weak, because of our dignified, revolutionary and Sandinist stands, that it does not speak of its dead killed in the fighting with us. This is very interesting: the National Directorate is in the same spot Somoza was in his last few years. He didn't admit the number of troops who had been killed. The National Directorate is not admitting the number of troops killed in our fighting. What does this mean? That there is no reason for these deaths. However, this directorate does speak of the National Guard and the fighting and casualties up north.

Therefore, the Nicaraguan people and the world must know about this. Then, Radio 15 September interferes with our broadcasts and crushes us. We are also being attacked by the National Directorate through the Salvadorans' Radio Venceremos and Radio Havana. However, this is a peasant insurrection.

Here, we have in southern Nicaragua -- how many? -- 5,000, 7,000, 10,000, 20,000 peasants who are asking us for weapons. We have no rifles to give them. The National Guard may have 20,000 men but they are not going to be able to fight 200,000 Nicaraguans. It is obvious that by obstructing our efforts to get rifles they are helping the National Directorate. If what they want to do is to use us so that the National Guard can win, they are wrong, because the National Guard will not win.

The people will not help the National Guard. The National Guard killed our people for 45 years. The guardsmen killed this guy's brother. They killed my father. Everybody in Nicaragua has a relative killed by the National Guard. Therefore, the Nicaraguan people will not support the National Guard. So, they are doing the National Directorate a big favor by trying to win through a general staff of former Somozist Guardsmen. This must be clearly stated and understood.

For this reason, we say that the solution to the Nicaraguan problem is not military but political. Thus, we say that political stands are better than military ones. If we think that we are going to overthrow the National Directorate by adopting militaristic positions or militaristic actions, we won't do it. But if the peasants, the workers and the students are with us, it is useless for them to have tanks, missiles, sophisticated weapons or large quantities of arms if they don't have anybody to brandish them. If they don't have anything to die for when they defend themselves with those weapons, there is no use for them to fight.

We honestly believe that it is the people who make the decisions and not the weapons. Soviet tanks can't cope with an armed people. If the people were armed with rifles and rockets the Soviet T-55 tanks, cannons, and MIG's would be rendered useless. The armed people would determine the outcome.

[Question] Do you plan to rescue the revolution?

[Pastora] This is what the Sandinists want. We want to rescue the original Sandinist revolution. It is a democratic revolution with freedom of speech and political liberties. It is a nonaligned revolution without foreign intervention. It is true that we want a revolution without U.S. Government intervention, but we also want it without the intervention of the Cuban, Soviet, Bulgarian or any other government.

We want the revolution Sandino taught us: a revolution full of love and without revenge. We want a revolution that loves peace and has a mixed economy. The revolution we want is that revolution Nicaraguans fought for and for which 50,000 martyrs died.

GENERAL DIRECTORATE OF STATE SECURITY DESCRIBED

PA142250 Managua EL NUEVO DIARIO in Spanish 10 Jun 83 p 12

[Text] Like unveiling a statue that had been always covered or revealing a "secret" that was no longer a secret, Deputy Commander Eleonora Rocha, chief of the political section of the General Directorate of State Security, DGSE, today discloses some of the "inner workings" of the people's security organism whose members carry on heroic and anonymous work 24 hours a day, watching over our people's happiness.

The DGSE was founded on 26 July 1979, only a few days after the revolutionary triumph, and since then has played a dominant role in the struggle against and control of the Somozist elements who have tried to escape from revolutionary justice.

Deputy Commander Rocha, also known as "Clarita," explained that the DGSE is an organism within the Interior Ministry. "Its role is to carry out the political or specific missions against the enemy that require the greatest secrecy," she said.

Neutralize the CIA

She added: "In the current situation of aggression against Nicaragua by the Reagan administration, its work is aimed at neutralizing imperialism's specialized organizations, particularly the CIA and its economic destabilization plans, attempts on the lives of our leaders, lack of supplies, sabotage against economic objectives, decapitalization, manipulation of some backward sectors, and infiltration of terrorist elements into the national territory, among other plans."

Great Cooperation From the People

"Clarita" said that the State Security's success is due to a great extent to the people, without whose cooperation it would be very hard to know all the enemy's moves. "Our people's love for their revolution makes our secret work easier," she said.

The DGSE combatants are anonymous heroes. Like modern Quixotes they struggle against a giant that is not imaginary; U.S. imperialism. However, neither are we going to call them heroes without glory. Each of their victories over the enemy is a victory of the people against poverty, hunger, lack of clothing, and ignorance. Each defeat inflicted on the blond beast is a step to glory in the construction of a new society.

"The work of our combatants almost always remains anonymous," "Clarita" said. "The work carried out by an operative official for months and even years is very seldom publicly known. When counterrevolutionary activity is cut short, that is, when the elements involved in the conspiracy are arrested, only the facts that can be made public are disclosed, so that the enemy will not be provided with a lot of information."

Quiet Sentinels

Regarding this, the DGSE combatants are quiet sentinels of our people's happiness. The DGSE work is an advance guard of the revolution in order to keep the happiness we are experiencing from being disturbed or interrupted by the activities of imperialism. This work is a struggle against enemy attempts to try to prevent us from building a new society in peace. The fact that they are called sentinels of our people's happiness is what moves DGSE members to remain alert 365 days a year.

It is this name which has ended the despicable prejudice sown by the sinister OSN [National Security Office]. The DGSE is working for the tranquillity of all our people. It restrains those who threaten the well-being of majorities. It protects the happiness of our children and the peaceful old age of our parents. The OSN did exactly the opposite

"Our people recognize the difference," Deputy Commander Rocha said. The people's response in the face of certain difficult situations clearly expresses the big difference between a security office within a revolutionary state and a security office that defends the interests of a pro-imperialist bourgeois state.

"The people are not afraid of the DGSE, because we seek their support. The enemy is afraid of us because we are implacable when they clash with us and, of course, they are interested in maintaining the image the security office had before, in order to create confusion. But the people already know the difference."

Heroic Actions

There have been many heroic actions within DGSE. These actions tested the courage and conviction of the men serving the people, but the best proof of great-heartedness is the collective effort being made to carry out -- at whatever cost, including life -- all tasks ordered. There is no greater satisfaciton for DGSE combatants than carrying out their duty.

In addition, "Clarita" said: "Our combatants have given proof of their heroism in their daily work. From Monday to Sunday, throughout the entire year and at any time, they are willing to fight imperialism wherever it wants to penetrate the country. When I talk about this I remember something he said which applies to all DGSE combatants: "Heroic and relevant actions are very few but the daily combat of work is more difficult; it is our daily struggle against our deviations and our weaknesses."

SPANISH COMMUNIST LEADER REITERATES SOLIDARITY

PA150429 Managua Domestic Service in Spanish 0300 GMT 15 Jun 83

[Text] Gerardo Iglesias, secretary general of the Spanish Communist Party, has condemned the Somozist counterrevolutionary bands that are attacking the Nicaraguan people with the support of the Reagan administration and the Honduran Government. The Spanish political leader, who is on a 3-day visit to Nicaragua, has met with leaders of mass organizations and the FSLN National Directorate. He reiterated his solidarity with the Sandinist revolution, indicating that the Nicaraguan people have more than enough courage to defend their cause.

BRIEFS

CUBAN CANECUTTERS -- On Saturday, 4 June, Jaime Wheelock, minister of Agricultural-Livestock Development and Agrarian Reform (MIDINRA), thanked the members of the Onelio Hernandez Tano canecutters brigade from Cuba for their assistance in harvesting this year's cane crop. Through the canecutters, Wheelock also thanked the Communist Party of Cuba, the Central Organization of Cuban Trade Unions (CTC), the province of Ciego de Avila, and Rafael Valdes, first secretary of that province. The 38-man brigade, which stayed in Nicaragua for 6 months, came for the third time under a 5-year agreement between Ciego de Avila Province and MIDINRA. [Summary] [Managua EL NUEVO DIARIO in Spanish 6 Jun 83 p 14 PA]

HAVANA COMMENTS ON RIOS MONTT'S ISOLATION

PA152250 Havana International Service in Spanish 2310 GMT 14 Jun 83

["Our America" commentary]

[Text] General Efrain Rios Montt, chief of the Guatemalan regime, has announced that elections for a constituent assembly will be held during the second half of 1984. Rios Montt said that 61 legislators will be elected to make up the assembly, which will draft a new constitution. He added that general elections will be held later.

Political circles note that Rios Montt made the announcement at a time when the coupist general is facing his worst political crisis since he usurped power almost 14 months ago. At present, Rios Montt is the target of severe criticism by important sectors of the oligarchy, the Catholic Church, and even the Army, which have called for immediate elections for a constituent assembly.

Barely 15 days ago, Guillermo Echeverria, the most senior of the Guatemalan generals, published a letter urging the regime to hold general elections, to suspend tax reform, and to foster the return of the military to the barracks in order to prevent attrition of the armed forces. The letter caused the discharge of Gen Echeverria because it was felt that his stance violated military regulations. The letter was fully supported by the country's most important social sectors and revealed the lack of support for the Guatemalan dictator. According to rumors, several Army officers fully share Gen Echeverria's ideas, and one local morning newspaper even commented that the possibility of demanding the resignation of the Rios Montt is being rumored.

Catholic Church leaders have also censured Rios Montt's government. These leaders accuse the Guatemalan dictator of carrying out a campaign of proselytism from his high government post and of manipulating the mass media in accordance with his interests. The Catholic Church and Rios Montt had serious differences over the execution of several political opponents several days before Pope John Paul II's visit to Guatemala in March.

Guatemala Auxiliary Archbishop Monsignor Ramiro Pellecer joined in the criticism expressed by Gen Echeverria and also demanded a speedy return to constitutionality. Other Catholic Church leaders have also expressed their opposition to the regime's policy and have advocated the democratization of the country's government institutions, and especially of the economic system, in order to foster reactivation of the deteriorated Guatemalan economy.

The co-called tax reform that the regime is trying to implement has been widely rejected. For many, this reform would drastically increase inflation at this critical moment for the country, whose economy has been characterized by unceasing increases in unemployment and cost of living. Regarding this, an official spokesman said that the regime cannot postpone the announced tax reform, scheduled to take effect on 1 July, because the credits endorsed by the IMF are needed and this organization suggested the new tax laws.

As the media have pointed out, Rios Montt is being increasingly isolated. The only support he has left comes from a minority sector within the Armed Forces and in the Protestant movement to which he belongs. The source added that at this stage, very few want to get involved in the genocidal actions of a regime that is responsible for the murder of hundreds of thousands of defenseless people.

CAPITALIST EXPLOITATION DENOUNCED AT ILO MEETING

FL152340 Havana Domestic Service in Spanish 2017 GMT 15 Jun 83

[Text] Cuba denounced inequalities and the system of exploitation practiced by the highly-industrialized Western countries in their relations with underdeveloped nations. Because of these factors, underdeveloped countries have insufficient resources for the development of their children, Cuban delegate Osmel Francis de los Reyes told the 69th ILO Conference today.

In underdeveloped nations, the unfair system of relations creates illiteracy, infant mortality, unemployment, disease, and ignorance, the Cuban ILO representative said. He maintained that the situation in underdeveloped nations is becoming worse as a result of the economic crisis created by the capitalist states.

De los Reyes outlined the contrasting picture in our country in comparison with the rest of the underdeveloped world. Due to the wide range of revolutionary reforms and socialist methods of production implemented over the last 23 years, life in Cuba does not present that somber picture, De los Reyes said.

He criticized the fact that in spite of the tremendous economic calamity of many countries, nations such as the United States continue to increase their budgets for new mass-extermination weapons to higher levels each day. De los Reyes stressed the role of trade unions in socialist countries in working out production plans.

SPANISH COMMUNIST LEADER ARRIVES IN HAVANA

FL160125 Havana Domestic Television Service in Spanish 0000 GMT 16 Jun 83

[Text] Comrade Gerardo Iglesias, secretary general of the Spanish Communist Party [PCE] arrived in our country this afternoon, invited by Commander in Chief Fidel Castro, first secretary of the party Central Committee and president of the Councils of State and Ministers.

Jesus Montane Oropesa, alternate member of the party Politburo and member of the Secretariat, welcomed the distinguished visitor at Jose Marti International Airport. Gerardo Iglesias was accompanied by (Gregorio Lopez), member of the PCE Central Committee. The welcoming party included Enrique Larroque, Spanish ambassador to Cuba, and (Pedro Atienza), permanent representative of the PCE in our country.

Gerardo Iglesias arrived in Cuba from Nicaragua, where he condemned the actions of the counterrevolutionary bands. Those groups, he said, have another country pulling their strings -- the one ultimately responsible -- and that is the United States.

A few hours after his arrival in our country, the Spanish leader placed a wreath at the foot of the Jose Marti Monument in the Plaza of the Revolution. Later, Gerardo Iglesias made a few brief remarks for the press stressing that he was making his first and most significant visit to Latin America because of its historic bonds [with Spain], particulary the revolutions in Nicaragua and Cuba.

BRIEFS

WOMEN JOIN HOLGUIN MILITIA -- The pledges of 201,061 women from Holguin to join the Territorial Militia Troops were turned over to Miguel Cano Blanco, alternate member of the Politburo and first secretary of the party in Holguin Province. The pledges were handed to Cano Blanco by Clara Castillo, secretary general of the Federation of Cuban Women [FMC] in Holguin. Counting the number of women who joined in the previous process, the final total is now 223,061 FMC members ready to defend the gains of the socialist fatherland in case of a Yankee attack. [Havana Domestic Television Service in Spanish 0000 GMT 15 Jun 83 FL]

WOMEN JOIN GRANMA MILITIA -- Over 86,000 FMC [Federation of Cuban Women] members from Granma Province are to join the Territorial Militia Troops in response to the threats of aggression hurled by the U.S. imperialists, the FMC provincial directorate has announced in Bayamo. That figure represents 79 percent of the FMC membership in Granma Province. [Excerpt] [Havana Domestic Service in Spanish 2002 GMT 15 Jun 83 FL]

BARBADOS

BRIEFS

NEW ANTIGUAN ENVOY -- Oscar Henry, high commissioner-designate for Antigua and Barbuda to Barbados, arrived in the island yesterday for a five-day official visit. [Exc] [Bridgetown BARBADOS ADVOCATE in English 10 Jun 83 p 1 FL]

GRENADA

BRIEFS

VENEZUELA DONATES POLIO VACCINE -- The Government of Venezuela has donated 10,000 doses of polio vaccine to the Ministry of Health here. It was in response to a request made by the ministry a few months ago to replace polio vaccines lost during a mishap at the ministry. [St Georges Domestic Service in English 2300 GMT 14 Jun 83 FL]

JAMAICA

OPPOSITION SAYS GOVERNMENT FAILED TO GET LOANS

FL151830 Kingston Domestic Service in English 2300 GMT 15 Jun 83

[Text] The opposition spokesman of the House, Mr Seymour Mullings, says the PNP [People's National Party] has received information that the government has failed to secure the $150 million it was hoping to get from European sources in order to finance the foreign exchange budget. Mr Mullings, in a statement today, said such failure to secure these loans would have extremely (?severe) consequences for the economy as this will mean a dismantling of the budget passed by Parliament 2 weeks ago. He said (?if) this is so, then Jamaica's (?tentative) target of meeting the IMF [words indistinct] on the government securing $150 million from the European sources and the $300 million dollar loan from Kuwait is dependent on the IMF agreement being in place. The opposition spokesman said failure to secure these loans would mean, among other things, that the majority of basic items now on the official rate of exchange would have to be shifted to the parallel market with consequential increases in the cost of living. Mr Mullings said that PNP notes that already the Bank of Jamaica has been unable to replenish the export development fund to the EDF, as provided for under the agreement with the World Bank, thus severely impeding the manufacturing sector. He called on the government to tell the country the facts about the state of the economy.

BRIEFS

NEW MERCHANT BANK LAUNCHED -- A new bank, Pan Caribbean Merchant Bank, Limited, with a capital base of $3 million, was launched yesterday at a ceremony at Jamaica House. The chairman of the bank, Mr Maurice W. Facey, said its capital base would be increased by $2 million within the next 12 months. Mr. Facey said that the partners in the bank include major financial institutions with established track records of excellence. These include the Pan-Jamaica Investment Trust Limited, T. Geddes Grant Limited, Jamaica National Building Society, Grace Kennedy and Company Limited, Bank of Nova Scotia Jamaica Limited, Mutual Life Insurance Company Limited, and Globe Insurance Company of the West Indies. [Excerpts] [Kingston DAILY GLEANER in English 10 Jun 83 p 1 FL]

ST LUCIA

COMPTON PREDICTS ECONOMIC IMPROVEMENT, GROWTH

FL151600 Bridgetown CANA in English 2203 GMT 15 Jun 83

[By Ernie Seon]

[Text] Castries, St Lucia, June 14, CANA -- St Lucia is embarking on four major construction projects amid signs of improvement in its troubled economy. Prime Minister John Compton has announced a 10 to 15 percent increase in industrial production over the past 12 months and anticipates a boom in the industrial sector in coming months, when funds for leading development projects should start coming on stream.

Vieux Fort, the island's second largest town, is to be developed as a major industrial site and a road constructed to link the capital Castries with the Soufriere, Anse-la-Raye and Canaries areas. These areas are considered to have vast potential for tourism and agricultural development.

Government also plans building a dam to supply water to the northwest coastal development area and restarting drilling at the geothermal project in Soufriere -- site of the dormant La Soufriere Volcano -- which was interrupted in 1979. Compton said there was new interest in the geothermal project, particularly by Los Alamos Institute of the United States and preliminary exploration was being undertaken with European Development Fund financing. He added: "Because of the high level of their (the institute's) technology and their vast experience in this field, their involvement in the project will bring it nearer to fruition."

The Vieux-Fort Industrial Free Zone project is currently being studied by the World Bank for possible funding. "A mission from the bank completed a study late last month, and spoke very positively about the project," Compton said.

A World Bank study has confirmed a government plan in the early 1970's to make Vieux-Fort, which has an airport and seaport along with roads, water and electricity, the industrial capital with Castries as the commercial capital.

A preliminary survey has been undertaken for a 27 million dollar (U.S.) west coast road project to open up the Soufriere, Anse-la-Rayne and Canaries areas. "Government has already received commitment of up to two million dollars (U.S.) from the OPEC Development Fund for construction, while the Caribbean Development Bank is to fund the design survey," the prime minister said.

He said the Canadian International Development Agency (CIDA) is preparing a design survey for the proposed dam and he expects this project to be completed in 1986.

Compton said that in the public sector, the reconstruction of roads and buildings had helped reduce unemployment. "Besides bringing back workers laid off in 1981, we have, with the assistance of the United States Road Construction Programme, increased employment by over 500, so that the unemployment figure which was in the region of 27 percent when we took office is now down to 20 percent, and we intend to take it to 15 percent, where it was in 1979."

"Inflation has been brought under control, we have reduced it from over 15 percent to under five percent and the figures published for May have shown a further decline," he added.

The strain placed by the public service on the island's recurrent expenditure has been highlighted by the prime minister on several occasions during the past few months. Government has this year been hard pressed to meet its monthly commitments to pay public servants.

Last December, it had to resort to borrowing 9.5 million dollars (1 EC dollar: 37 cents U.S.) from Trinidad and Tobago. Government has been aiming to complete paying 1982 backpay to civil servants. But Compton said: "To date we have brought public expenditure under control and consequently there is greater liquidity on the system."

"Government's demand for money in the system is not so great and there is, in effect, more money in the system for private sector development," he added.

Compton in April presented an austerity 1983-84 budget of 185.8 million dollars aimed at "stimulating the island's flagging economy, improving the management and control of public finances and eliminating waste."

The measures included a 20 percent reduction in the expenditures of all ministries, a 10 percent cut in cabinet ministers' salaries and a slash in travelling allowances for public servants.

But some signs of economic improvement appear to be on the horizon. Compton said that in June the agricultural sector showed dramatic improvement. "The steps we took in mid-1982 in obtaining fertilisers for farmers has led to an increase in production and better prices on the United Kingdom market."

Banana exports last year totalled 42,700 tonnes, mainly reflecting a sharp slowdown in deliveries by growers after mid-year as a result of a dry-hot period and the effects of sterling's depreciation on the local currency receipts of producers.

This year, industry officials are very optimistic about exports reaching beyond 56,000 tonnes with production targeted at between 60,000 and 70,000 tonnes. However, Compton noted that Government is still dissatisfied with the level of proceeds from the banana industry and remains concerned about the continued decline in the value of the pound sterling against the U.S. dollar, to which the (EC) dollar is pegged.

"This decline, which commenced early in 1982, shows little sign of recovery to the 1981 level. This means a loss of more than 25 percent in the value of St Lucia's banana exports, or in actual figures, a loss of 12 million dollars per annum to farmers, who must carry the brunt of our economic recovery," Mr Compton said.

He was hopeful that the situation could be rectified soon. "The United Kingdom Government has agreed to meet officials from the Windward Islands to discuss the issue, and a date is now to be arranged between the islands for a meeting," Compton added.

St Lucia is the major banana growing country in the Windward Islands.

PARLIAMENT APPROVES $2.7 MILLION LOAN FROM PRC

FL151938 Bridgetown CANA in English 1621 GMT 15 Jun 83

[Text] Castries, St Lucia, June 15, CANA -- The St Lucia Parliament has given government the go-ahead to borrow 2.7 million dollars from Communist China through the issue of debenture certificates to that country's Central Bank. Deputy prime minister, George Mallet, told Parliament yesterday the funds will be used to pay accumulated electricity bills from 1979 to 1981, provide more office space at the Secretariat of the Organisation of Eastern Caribbean States (OECS) and to finance small infrastructure projects. It will be repaid at an 8-percent rate of interest at the end of six months for the next five years, he said.

Mallet told Parliament that the funds would assist government's programme of reconstruction and help ease the local ill effects of the current world economic situation. However, the move was criticised by the opposition in Parliament as a shift in government policy.

John Odlum of the Progressive Labour Party questioned what he said was "government's inconsistency in its foreign policy." He said government, in the past, has strongly criticised communist countries, but had now seen it fit to borrow money from them. "It worries me that the government is at last becoming progressive," Odlum said. The charge was taken up by agriculture minister, Ira Dauvergne, who said that the interest showed by China was an indication that St Lucia had again earned the confidence of the international community. He said, St Lucia was selling debentures and any country in the world, except racist South Africa, was welcome to buy, regardless of political affiliation.

Arrangements for the sale of the bonds were made by Prime Minister John Compton during a recent visit to the United States. The proposed loan from China has come in the wake of press reports here that government is to establish diplomatic relations with the Soviet Union. When the matter was raised in Parliament yesterday, Mr Mallet, in the absence of Prime Minister Compton, who is out of the state, neither confirmed nor denied that the decision has been taken at cabinet level.

TRINIDAD AND TOBAGO

POLICE SEIZE BLACKOUT DEVICE FOLLOWING EXPLOSION

FL142040 Bridgetown CANA in English 1808 GMT 14 Jun 83

[Text] Port-of-Spain, Trinidad, June 14, CANA -- Police in Trinidad and Tobago have seized a device used to set off blackouts, according to press reports here. The GUARDIAN newspaper said the device, used to short circuit distribution lines and cause a massive electricity outage, was found along with several weapons during recent operations mounted by Police Commissioner Randolph Burroughs. The paper quoted Mr Burrough as saying that the device was found shortly after an explosion in the vicinity of the Bermudez Biscuit Factory at Mt. Hope. An explosion at the corner of Hollisas [words indistinct] streets, about one block away from the factory, was followed closely by the outage. The police are searching for five men who were seen leaving the area shortly after the incident. The car in which they were travelling has been traced and investigations are continuing into the matter, the police said.

COLOMBIA

FARC ATTACKS VILLAGE IN HUILA, KILLS 2

PA140450 Bogota Cadena Radial Super in Spanish 0000 GMT 14 Jun 83

[Text] Pitalito, Huila Department -- Two of the four people kidnapped today by a group of guerrillas who attacked the village of Bruselas, Pitalito, were murdered by their captors, reliable sources have reported to this station.

The victims were identified as Silvio Nimian, president of the community action board of the village and merchant Reynaldo Porfilia, whose bodies were found inside a vehicle used by the guerrillas to escape. Gustavo Munoz, 23d criminal court investigative judge, examined the bodies abandoned in the area of Villalobos 32 km from Pitalito.

The armed group that attacked Bruselas early today said it belongs to a column of the 6th Front of the Revolutionary Armed Forces of Colombia, FARC. Raul Nunez, Liberal Party councilman, and Jose de Jesus Munoz are still being held by the guerrillas and their fate is unknown.

GUYANA

BAUXITE EXPORT FIGURES THROUGH MAY RELEASED

FL151658 Bridgetown CANA in English 1629 GMT 15 Jun 83

[Text] Georgetown, Guyana, June 15, CANA -- The state-owned bauxite company, Guyana Mining Enterprise (Guymine), had exported 440,023 metric tons of bauxite by May 31, a company official reported today. It was unclear, however, whether exports this year were up on January-May, 1982 shipments.

The state-owned operations at Linden, 67 miles south of here, were responsible for export of 240,000 metric tons. This was made up of 108,000 tons of calcined bauxite and 9,536 tons of metal grade bauxite. For the same period, the Berbice operations processed 5,050 metric tons of chemical grade bauxite, 8,275 tons of metal grade bauxite, 1,001 tons of abrasive "a" grade and 400 tons of calcined bauxite.